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CORPORATION OF THE FINE ARTS MUSEUMS

M.H. DE YOUNG MEMORIAL MUSEUM \* CALIFORNIA PALACE OF THE LEGION OF HONOR

OFFICIAL MEETING NOTICE

Corporation of The Fine Arts Museums  
Board of Trustees

Thursday, January 11, 2001

3:30 p.m.<sup>1</sup>

Board Room

California Palace of the Legion of Honor  
Lincoln Park  
San Francisco, California

DOCUMENTS DEPT

JAN - 8 2001

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AGENDA

ORDER OF BUSINESS

- I. Calling of the Meeting to Order and Invitation to Members of the Public to Attend and Participate in Accordance with Recently Enacted Requirements that Not-for-Profit Organizations with City of San Francisco Contracts Conduct at Least Two Public Meetings a Year (San Francisco Administrative Code, Section 12L.4) – Diane B. Wilsey, President
- II. Calling of the Roll

Trustees

Del M. Anderson  
Cheryl L. Bancroft  
Alvin H. Baum, Jr.  
Alix Phillips Becker  
George McNear Bowles  
Jamie Bowles  
T. Robert Burke  
Barbara B. Carleton  
Barnaby Conrad III  
Charles Crocker  
Belva Davis, Vice President/Audience Development and Civic Affairs  
Dagmar Dolby, Vice President/Annual Support  
Richard P. Essey

<sup>1</sup> Or such time as the Fine Arts Museums of San Francisco Board of Trustees Meeting ends, but in no event before 3:30 p.m.

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**Calling of the Role (continued)**

Richard H. Finn, Vice President/Finance  
Morgan Flagg  
Tamara Fritz  
Richard N. Goldman  
Constance Goodyear  
Richard W. Goss II  
Nancy Hamon  
George Hecksher  
Beverly James  
J. Burgess Jamieson  
Ann L. Johnson, M.D.  
Stephen L. Johnson  
Terrence Johnson  
William R. Kimball  
Leonard E. Kingsley  
Diane B. Lloyd-Butler, Vice President/Marketing and Communications  
Nancy McBean  
Nion McEvoy  
J. Alec Merriam, Vice President  
Lorna F. Meyer  
Robert A. Mills  
Marianne H. Peterson  
Josie Mooney  
Robert P. Morrow III  
Michael E. O'Neill  
Steven MacGregor Read  
George R. Roberts  
Shelagh Rohlen  
George B. Saxe  
Gail P. Seneca  
Randolph R. Scott  
Burl A. Toler, Sr.  
Vivian Fei Tsen  
Sidney R. Unobskey  
Carlos Pedro Villa  
Paul Violich  
Lonna Wais  
Margaret Wetzel  
Nancy Willis  
Diane B. Wilsey, President  
Alfred S. Wilsey

Absences to be Excused



**Calling of the Role (continued)**

Non-Voting Officers

Harry S. Parker III, Chief Executive Officer  
Steve Dykes, Treasurer  
Judy Gough, Executive Secretary

**III. Report of the President – Diane B. Wilsey**

- |    |  |                   |
|----|--|-------------------|
| A. | Consideration and Possible Action to Approve the Minutes of the December 14, 2000 Meeting of the Executive Committee of the Board of Trustees (See Appendix A – Draft Minutes)<br><i>Filed under ↑</i> | <b>Action</b>     |
| B. | Report on the Plans for a New de Young Museum in Golden Gate Park  | <b>Discussion</b> |
| C. | Report on the Capital Campaign to Build a New de Young Museum in Golden Gate Park  | <b>Discussion</b> |
|    | 1. Supporting Organizations Committee – Cheryl Bancroft, Chair   |                   |
|    | 2. FAMily Committee – Sylvia and Leonard Kingsley, Co-Chairs   |                   |
|    | 3. Community Outreach Committee – Alvin H. Baum, Jr., Chair  |                   |
|    | 4. Foundations and Corporations Committee – Richard H. Finn, Chair   |                   |
|    | 5. Membership Committee – David M. Jamison, Chair  |                   |
| D. | Cancellation of the March 22, 2001 Meeting of the Executive Committee of the Board of Trustees   | <b>Discussion</b> |
| E. | Other Informational Items  | <b>Discussion</b> |

**IV. Director's Report - Harry S. Parker III**

- |    |  |                   |
|----|--|-------------------|
| A. | Report on COFAM Operating Budget as of November 30, 2000 (See Appendix B – Report on COFAM Operating Budget as of November 30, 2000) | <b>Discussion</b> |
| B. | Consideration and Possible Action to Adopt a Resolution Authorizing the Transfer of Stock  | <b>Action</b>     |

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums (COFAM) does hereby authorize that any two of the following individuals are fully authorized and empowered to sell, assign, transfer, and deliver any and all shares of stock, bonds, debentures, notes, evidences of indebtedness, or other securities now or hereafter standing in the



name of or owned by this Corporation and to make, execute, and delivery any and all written instruments necessary or proper to effectuate the authority hereby conferred, including execution of all written instructions necessary for our nominees, Wells Fargo Bank, Dresdner RCM Global Investors, and Merrill Lynch, to implement the transaction.

Authorized Individuals:

Harry S. Parker III, Chief Executive Officer  
Stephen E. Dykes, Treasurer  
Barbara Boucke, Deputy Director for Development.  
Robert M. Cullison, Controllor

- |       |  |            |
|-------|--|------------|
| C.    | Report on Bouquets to Art at the Legion of Honor on March 20 - 23, 2001 – Venetta Rohal, Co-Chair, Bouquets to Art | Discussion |
| D.    | Other Informational Items  | Discussion |
| V.    | Report of the New de Young Building Committee – Steven MacGregor Read, Chair                                       | Discussion |
| VI.   | Report of the Annual Support Committee – Dagmar Dolby, Chair and Vice President                                    | Discussion |
| VII.  | Report of The Fine Arts Museums Foundation – Charles Crocker, President  | Discussion |
| VIII. | Adjournment – Diane B. Wilsey, President   | Action     |

Public Meeting Requirements Relating to Accessibility

The subsequent information is in compliance with the Americans with Disabilities Act (ADA); the following will be made available upon request: (1) American sign language interpreters; (2) a sound enhancement system; (3) a meeting agenda available in alternative formats; and (4) a reader during the meeting. To arrange for these services, please contact Judy Gough at (415) 750-3669 at least two working days prior to a meeting. A late request will be honored if possible. Minutes of the meeting will be made in alternative formats upon request. Meeting agendas are available on the Fine Arts Museums of San Francisco website, [www.thinker.org](http://www.thinker.org).

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, those attending public meetings are reminded that others may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

The MUNT's wheelchair-accessible No. 18 line stops in front of the Legion. For access to the Legion from downtown, take MUNT's wheelchair-accessible No. 38 Geary line to 33rd and Clement and connect with the No. 18 line. For more information about MUNT's accessible services, call (415) 923-6142.

There are accessible parking spaces (disabled-designated) available in front of the Legion. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. For Telecommunication Device for the Deaf (TDD), the Museums use the California Relay Service.





Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations

are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force:

Donna Hall, Administrator  
Sunshine Ordinance Task Force  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689  
Office: (415) 554-7724  
Fax: (415) 554-5163  
E-mail: Donna\_Hall@ci.sf.ca.us

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at [www.ci.sf.ca.us/bdsupvrs/sunshine](http://www.ci.sf.ca.us/bdsupvrs/sunshine).

If you are unable to attend the meeting, you may submit written comments to Judy Gough, Fine Arts Museums of San Francisco, 233 Post Street, 6<sup>th</sup> Floor, San Francisco, CA, 94108. Public documents referred to in the agenda may be inspected at the Administrative Offices of the Fine Arts Museums located at 233 Post Street, 6<sup>th</sup> Floor, San Francisco, CA, 94108. Please contact Judy Gough at (415) 750-3669 to make arrangements.



## COFAM Budget Report For The Month Ended 30 November 2000

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Budget-In-Brief Narrative	
Cumulative Surplus (Loss) Chart	1
Resources & Expenses Detail	5
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Exhibitions – Appendix C	
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## COFAM Operating Budget-In-Brief

Month Ended 30 November 2000

### Overview

Cumulative five-month FY 2000-01 results were \$78k in the black, compared to the \$370k budget figure. The *Hicks* and *Obata* exhibits at the de Young Museum have drawn moderate crowds, running somewhat behind projections. Legion visitors have been down with the *Anderson* show. However, the week before the 12/31/00 de Young Museum close generated a record-setting 70,630 visitors. [Their admission was free although the original budget assumed paid attendance.]

The COFAM Reserve was \$3,401k at the end of November, compared to \$3,660 the month before. Board policy is to keep the reserve at \$2 million or more. The current high reserve is the legacy of the *O'Keefe* exhibit surplus from last fiscal year.

On the whole, the first five months of the fiscal year were somewhat off the budget plan, with erosion in store sales, admission fees and membership dues. But the test of the budget plan will occur during the second half of the fiscal year after the de Young Museum is closed.

### Support & Revenue

At \$2,129 total support ran \$164k below budget. Cumulative Annual Contributions at \$586k lagged budget, but positive December donations will put mid-year cumulative results over budget by \$20k. Specified funds draws were lower than anticipated with offsetting reductions in expenses.

At \$2,980 revenues were \$154k less than budget. Store gross profit was off \$44k with the Asian's *China* show store cutting into summer / fall



de Young Museum retail sales. Legion store sales were healthy during *Thiebaud* exhibit in July and August, but then fell with low *Anderson* attendance this fall. Admission fees were down \$89k. Membership income was also off by \$44k (825 members below budget). The critical member renewal period will be winter / spring, which covers a membership bubble created by the most popular shows in recent years. While facility rental income was off, heavy December bookings are expected to offset November losses.

### Expenses

At \$2,860 personnel costs to date were \$145k less than budget with underages across-the-board.

At \$2,191 other expenses were over budget by \$146k. Magazine / Guide costs were \$63k over because bills came in earlier than expected. The remaining variations in other expenses were mostly the result of timing differences between the budget plan and reality.

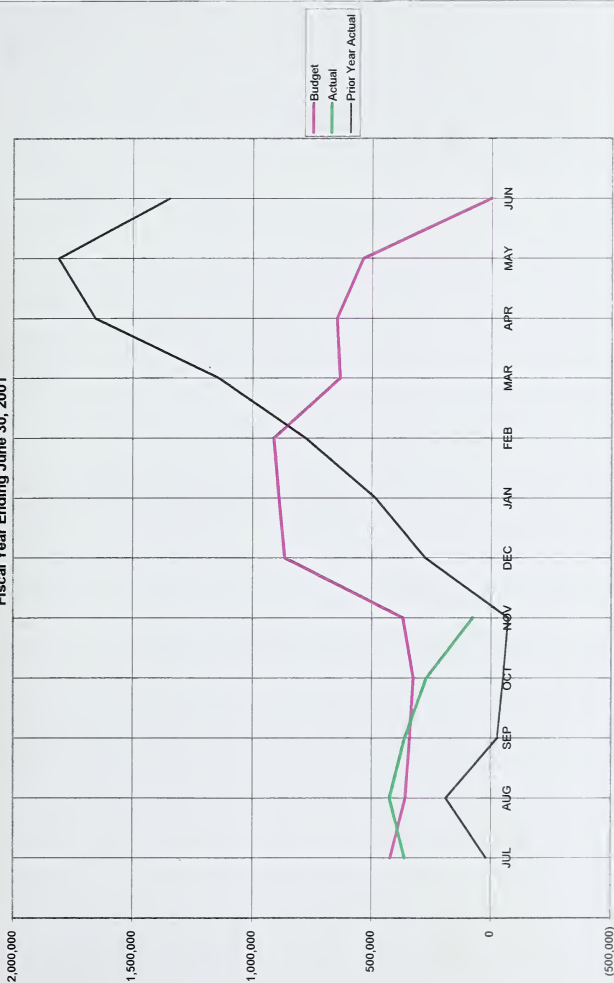
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COFAM CUMULATIVE SURPLUS (LOSS) CHART  
Fiscal Year Ending June 30, 2001





\$ in thousands

## SUPPORT & REVENUE

## Support

1) Annual Contributions	217	158	(61)	675	566	(69)	2,665	22%	481
2) Foundation Endowment Support	178	178	0	879	879	0	2,109	42%	863
3) Specified Funds									
--Curatorial/Conservation	26	27	1	137	120	(17)	403	30%	134
--Publications	0	26	26	50	55	5	50	100%	48
--Exhibitions	22	6	(15)	220	143	(77)	349	41%	177
--Education Programs	18	7	(11)	61	31	(31)	350	9%	78
--General	20	4	(16)	174	182	6	340	54%	23
Subtotal Specified Funds	65	70	(14)	558	530	(28)	1,492	36%	460
4) COFAM Investment Income	15	30	15	97	135	38	220	61%	45
Subtotal Support	492	432	(61)	2,293	2,129	(164)	6,486	33%	1,669

See page 5.



\$ in thousands

	(1)		(2)		(3)	(4)
	November Original Budget	Actual	Variance to M-T-D Budget	5-Months Original Budget	Actual	Variance to Y-T-D Budget
<b>Revenue</b>						
5) Museum Store Sales	126	175	49	1,103	987	(116)
Less Discounts	(6)	(19)	(13)	(50)	(52)	(2)
Less Cost of Goods	(84)	(116)	(51)	(577)	(506)	71
Less Commissions and Royalties	(1)	0	1	(4)	0	4
Gross Profit	54	40	(14)	472	428	(44)
6) Facilities Rental Gross	80	39	(41)	284	245	(39)
7) Benefits Gross Income / Art Point	50	64	14	80	72	(8)
8) General Admissions COFAM Net	127	86	(41)	758	669	(89)
9) Food & Beverage Concession Fees	11	10	(1)	65	92	27
10) Exhibition Program Earned Income	5	1	(4)	148	165	17
11) Membership Dues	196	193	(3)	1,050	1,006	(44)
12) Conservation Services	49	32	(17)	155	133	(22)
13) Miscellaneous	0	1	1	0	11	11
—Development Trip Fees	7	0	(7)	33	77	44
—Publication Sales Net	20	29	9	88	84	(5)
—Other Fees						
Subtotal Revenue	599	496	(104)	3,134	2,980	(154)
Total Support & Revenue	1,092	927	(164)	5,428	5,110	(318)

See page 6.

See pages 7 and 8.

## Membership:

Museum Attendance:  
 November 2000: 46,702 visitors, 39.7% paid, budgeted - 60,000 visitors, 45% paid.  
 Year to Date: 320,965 visitors, 44.1% paid, budgeted - 386,965 visitors, 45% paid

## Membership:

Year to date: 15,441 dues paid members averaging \$65.15 per member  
 compared to budgeted goals of 16,286 dues paid members averaging \$64.57 per member.  
 Current active paying members = 49,985



\$ in thousands

	(1)			(2)			(3)		(4)
	November Original Budget	Actual	Variance to M-T-D Budget	5 Months Original Budget	Actual	Variance to Y-T-D Budget	Original Budget	% Actual To Budget	
<b>EXPENSES</b>									
<b>Personnel Expenses</b>									
14) Curatorial									
Curatorial/Conservation/Education	194	191	(3)	985	962	(23)	2,554	38%	950
Project Funded Employees	47	42	(5)	257	236	(21)	645	37%	212
Exhibit Group	71	65	(5)	387	329	(39)	917	36%	289
Exhibit Program Temporary Labor	4	6	2	70	71	1	185	38%	99
15) Development									
Development - General	45	45	(1)	228	221	(7)	590	38%	210
Membership	33	33	(0)	166	158	(8)	434	36%	156
16) Administration									
Administration General	98	91	(8)	500	464	(36)	1,279	36%	467
Operations Group	25	23	(2)	126	121	(5)	320	38%	116
17) Marketing									
Media Relations & Advertising	22	22	(1)	113	111	(2)	280	38%	80
Stores	28	27	(1)	161	148	(13)	437	34%	161
Facilities Rental	6	9	2	31	39	8	81	48%	35
Subtotal Personnel	574	552	(22)	3,008	2,860	(145)	7,732	37%	2,765





\$ in thousands

	(1)			(2)		(3)	(4)
	November- Original Budget	Actual	Variance to M-T-D Budget	5-Months- Original Budget	Actual	Original Budget	Actual Prior Year At 5 Months
Other Expenses							
18) Curatorial							
Curatorial/Conservation/Education	51	54	4	232	239	608	164
Publications	40	22	(18)	50	50	50	39%
Exhibit Group	9	11	2	38	46	110	100%
Exhibit Program	74	35	(39)	313	282	992	48
							33
							42%
							356
							28%
19) Development							
Development - General	30	23	(7)	99	103	638	127
Art Point	25	2	(23)	35	11	110	16%
Benefits	5	0	(5)	5	2	24	10%
Membership	22	59	37	102	128	76	3%
Magazine / Guide	10	70	60	117	180	585	15
						400	23%
							218
							45%
							114
20) Administration							
Administration General	94	105	10	543	560	1,233	413
Operations Group	63	65	1	288	281	795	35%
							234
21) Marketing							
Media Relations & Advertising	30	88	57	126	198	484	161
Stores	5	6	1	28	48	68	42%
Facilities Rental	16	9	(9)	69	66	185	71%
							36%
							50
Subtotal Other Expenses	475	547	72	2,045	2,191	6,292	35%
							2,003
City Partial Reimbursement for Education Program /							
Administration and Building Operation Expenses	(20)	(45)	(25)	(85)	(180)	(243)	68%
							(195)
Total Expenses	1,028	1,053	25	4,988	4,891	13,761	35%
							4,768
SUPPORT & REVENUE OVER EXPENSES							
	63	(126)	(189)	482	219	329	68%
							(69)
LESS PLANT FUND EXPENSES	(16)	(67)	(49)	(92)	(140)	(325)	43%
							(135)
THE BOTTOM LINE	45	(193)	(238)	370	78	4	1
							(204)



Appendix A - Annual Contributions Report -- Month Ending November 30, 2000 (41.67% Of The Budget Year)

\$ in thousands

(1) Contribution Categories	(2) November 2000.....		(3) Year To Date.....		(3) Prior Year Actuals		(4) Current Year Annual Goals	Current Year % of Annual Goals Achieved
	Actuals	Budget	Actuals	Budget	Actuals	Variance to Y-T-D Budget		
1) Associates (\$5,000 and up)	100	100	35	345	335	(10)	1,550	21.6%
2) Patrons (\$2,500 - \$5,000)	0	10	3	45	26	(20)	130	19.6%
3) Friends (\$1,000 - \$2,500)	24	40	27	125	110	(15)	475	23.2%
4) National Council/Other	0	2	4	20	11	(9)	60	18.5%
5) Mail Drive	0	0	0	2	0	(2)	105	0.0%
6) Phone Campaign	0	0	0	0	0	0	95	0.0%
7) Business	7	40	5	83	27	(56)	150	18.3%
8) Foundations	25	25	1	55	76	21	100	76.0%
	156	217	74	675	586	(89)	2,665	22.0%



	In House Merchandising.....		Outside Merchandising.....	
	(1) deYoung Store Budget	(2) Legion Store Budget	(3) Wholesale & Royalties Budget	(3) Actual
Sales	368	297	293	36
Discounts	(22)	(25)	(12)	(27)
Cost of Goods	(192)	(166)	(150)	0
Commissions & Royalties	0	0	0	0
Gross Profit	155	80	131	9
Personnel Expenses	79	60	51	9
Other Expenses	13	24	5	0
Total Expenses	92	84	56	9
Gross Profit Over Expenses	63	(4)	75	0
Variance to Year To Date	(67)	(30)		4

	Exhibition Merchandising.....		Grand Totals.....	
	(4) Thiebaud Store Budget	(5) Toulouse/Montmartre Store Budget	(6) Grand Totals Budget	(6) Actual
Sales	361	0	1,103	987
Discounts	(11)	0	(50)	(32)
Cost of Goods	(199)	0	(578)	(506)
Commissions	0	0	(3)	0
Gross Profit	152	0	472	429
Personnel Expenses	25	0	160	148
Other Expenses	8	0	28	48
Total Expenses	33	0	188	196
Gross Profit Over Expenses	119	0	284	232
Variance to Year To Date	42	0		(51)



		(1) Funds	(2) Cost	(3) Gifts and Grants	(4) Income	(5) Net
<b>In-House Exhibitions</b>						
<b>Legion of Honor</b>						
1	Recent Acquisitions from AGFA (148)	L 08-Apr-00	\$ -			0
2	Wayne Thibaud (144)	L 10-Jun-00	\$ 23,302	23,302 Root	78,440	78,440
3	Logan Book Room (3 rotations) (165)	L ongoing	\$ 5,000		17146 edu-srvs-pd \$15.00	(5,000)
4	Berchheimer Old Master Prints (116)	L 09-Sep-00	\$ 10,950			(10,950)
5	Anderson Collection of Graphic Arts (148)	L 07-Oct-00	\$ 118,425			(118,425)
6	Triumph of Fortitude (123)	L 16-Dec-00	\$ 7,770	7,530 Bennet Hecksher		(240)
7	John Cage at Crown Point Press	L 23-Dec-00	\$ 8,450			(8,450)
8	Prints in Bloom	L 27-Jan-01	\$ 10,450			(10,450)
9	Toulouse Lautrec and the Spirit of Montmartre (115)	L 10-Mar-01	\$ 184,038			(184,038)
10	Boquets to Art	L 13-Mar-01	\$ -			0
11	Recent Acquisitions of Contemporary Art from AGFA	L 18-Apr-01	\$ 8,950			(8,950)
12	Ed Ruscha	L 26-May-01	\$ 10,450			(10,450)
13	Henry Moore (110)	L 24-Jun-01	\$ 302,530		9,555 Admissions 175 per hr 60% paid \$2.00	(292,975)
<b>Da Young</b>						
14	Bruce Conner: 2000BC (178)	D 20-May-00	\$ 28,775	28,775 Root		0
15	Leonard Baskin (131)	D 27-May-00	\$ -			0
16	Crown Point rotations	D ongoing	\$ 500			(500)
17	John Gutmann Collector/Photographer (137)	D 06-Sep-00	\$ 9,800			(9,800)
18	Textiles from Three Continents (139)	D 19-Aug-00	\$ 25,410			(25,410)
19	The Kingdoms of Edward Hicks (106)	D 24-Sep-00	\$ 144,850	144,850 Root		0
20	Art with Elders	D 27-Sep-00	\$ 2,500	2,500 Nettles		0

Continued...





v	n	u	(1) Runs	(2) Cost	(3) Gifts and Grants	(4) Income	(5) Net
In-House Exhibitions							
21		Chitra Otsa (134)	23-Sep-00	\$ 41,523	40,000 Root		(1,523)
22		Herzog and de Meuron (128)	ongoing	\$ 4,200	4,200 day		0
23		City Hall (153)	ongoing	\$ 5,000			(5,000)
24		Grants and Gifts To Be Raised			100,000		100,000
		Subtotal In-House Exhibits		\$ 948,874	-	65,995	(513,722)
FAM Travelling Exhibitions							
25		Gardner Myer to National Geographic (176)	28-Jun-00	\$ 10,000		40,000	30,000
26		Charles Jones to Chicago (164) to ICP, NY (CANCELLED)	09-Sep-00 01-Mar-00	\$ 6,500 -		6,500 0	0
27		Thibaud to Ft. Worth Modern Art Museum (147) to The Phillips to Whitney Museum of American Art	24-Sep-00 10-Feb-01 28-Apr-01 23-Sep-01	\$ 132,500		195,000	62,500
28		Anderson 2000 to Palm Springs (146)	17-Jan-01	\$ 20,000		15,000	(5,000)
29		American Paintings (125)	TBD	\$ 50,000		0	(50,000)
30		Airport Exhibitions	TBD				0
31		Leonard Baskin (131) Subtotal Travelling Tours	09-Jan-01	\$ 9,265 \$ 228,265	0 0	8,000 256,500	(1,265) 36,235
		Total In House and Travelling Exhibitions		\$ 1,177,139	0	342,495	(477,487)
		Temporary Exhibition Personnel Costs =				185,189	
		Other Expense				891,950	
						1,177,139	



\$ in thousands

## ASSETS

Cash	1,238
Cash Equivalents	33,254
Accounts Receivable	3,501
Prepaid Expenses	153
Note Receivable	250
Inventory - Store	870
Inventory - Publications	464
Investment in Bonds	650
Furniture & Equipment (Net)	375
	<u>40,755</u>

## LIABILITIES &amp; FUND BALANCES

Accounts Payable	2,003
Other Accrued Liabilities	4,392
Deferred Income - Restricted	28,847
Deferred Income - Unrestricted	3,849
Fund Balances	
Unrestricted Fund	3,531
Plant Fund	(2,167)
Revenues over Expenses	300
(Note 2)	
	<u>40,755</u>

## COFAM Reserve At 11/30/00

3,401

## Note 1 -- Reserve Formula

Cash & Cash Equivalents	34,492
Bonds	650
Accounts Receivable	3,501
Less Accounts Payable	(2,003)
Less Other Accrued Liabilities	(4,392)
Less Deferred Income - Restricted	(28,847)
	<u>3,401</u>

## Note 2 -- Revenues over Expenses

Operating Revenue over Expenses	225
Less Plant Fund	(140)
Plus Restricted Funds	215
Less Airport Fund	0
Surplus / (Deficit)	<u>300</u>



\$ in thousands

## ASSETS

Cash	190
Cash Equivalents	29,273
Accounts Receivable	3,593
Prepaid Expenses	176
Note Receivable	250
Inventory - Store	924
Inventory - Publications	390
Investment in Bonds	650
Furniture & Equipment (Net)	393
	<u>35,839</u>

## COFAM Reserve At 10/31/00

3,660

## Note 1 -- Reserve Formula

Cash & Cash Equivalents	29,453
Bonds	650
Accounts Receivable	3,593
Less Accounts Payable	(302)
Less Other Accrued Liabilities	(4,363)
Less Deferred Income - Restricted	(25,381)
	<u>3,660</u>

## LIABILITIES &amp; FUND BALANCES

Accounts Payable	302
Other Accrued Liabilities	4,363
Deferred Income - Restricted	25,381
Deferred Income - Unrestricted	4,017
Fund Balances	
Unrestricted Fund	3,531
Plant Fund	(2,167)
Revenues over Expenses	412
(Note 2)	
	<u>35,839</u>

## Note 2 -- Revenues over Expenses

Operating Revenue over Expenses	349
Less Plant Fund	(110)
Plus Restricted Funds	173
Less Airport Fund	0
Surplus / (Deficit)	<u>412</u>



# CORPORATION OF THE FINE ARTS MUSEUMS

M.H. DE YOUNG MEMORIAL MUSEUM \* CALIFORNIA PALACE OF THE LEGION OF HONOR

## OFFICIAL ANNUAL MEETING NOTICE

Corporation of The Fine Arts Museums  
Board of Trustees

Thursday, April 12, 2001  
3:30 p.m.<sup>1</sup>

Board Room

California Palace of the Legion of Honor  
Lincoln Park  
San Francisco, California

DOCUMENTS DEPT.

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## AGENDA

### ORDER OF BUSINESS

- I. **Calling of the Meeting to Order and Invitation to Members of the Public to Attend and Participate in Accordance with Recently Enacted Requirements that Not-for-Profit Organizations with City of San Francisco Contracts Conduct at Least Two Public Meetings a Year (San Francisco Administrative Code, Section 12L.4) – Diane B. Wilsey, President**

- II. **Calling of the Roll**

Trustees

Del M. Anderson

Cheryl L. Bancroft

Alvin H. Baum, Jr.

Alix Phillips Becker

George McNear Bowles

Jamie Bowles

T. Robert Burke

Barbara B. Carleton

Iris S. Chan

Barnaby Conrad III

Marion Moore Cope

Charles Crocker

Belva Davis, Vice President/Audience Development and Civic Affairs

<sup>1</sup> Or such time as the Fine Arts Museums of San Francisco Board of Trustees Meeting ends, but in no event before 3:30 p.m.





**Calling of the Role (continued)**

Dagmar Dolby  
Richard P. Essey  
Richard H. Finn  
Morgan Flagg  
Harrison S. Fraker, Jr., FAIA  
Tamara Fritz  
Rupert Garcia  
Richard N. Goldman  
Constance Goodyear  
Richard W. Goss II  
Nancy Hamon  
George Hecksher  
Jacqueline Hoefer  
Beverly James  
J. Burgess Jamieson  
Ann L. Johnson, M.D.  
Stephen L. Johnson  
Terrence Johnson  
William R. Kimball  
Leonard E. Kingsley  
Diane B. Lloyd-Butler, Vice President/Marketing and Communications  
Nancy McBean  
Nion McEvoy  
J. Alec Merriam, Vice President  
Lorna F. Meyer  
Robert A. Mills  
Josie Mooney  
Robert P. Morrow III, Vice President/Finance  
Michael E. O'Neill  
Joy Ou  
Marianne H. Peterson  
Steven MacGregor Read  
George R. Roberts  
Shelagh Rohlen, Vice President/Annual Support  
George B. Saxe  
Gail P. Seneca  
Randolph R. Scott  
Burl A. Toler, Sr.  
Vivian Fei Tsen  
Carlos Pedro Villa  
Lonna Wais  
Margaret Wetzel  
Nancy Willis



**Calling of the Role (continued)**

Diane B. Wilsey, President  
Alfred S. Wilsey  
David Winton

Absences to be Excused

Non-Voting Officers

Harry S. Parker III, Chief Executive Officer  
Steve Dykes, Treasurer  
Judy Gough, Executive Secretary

<b>III.</b>	<b>Report of the President – Diane B. Wilsey</b>	<b>Discussion</b>
A.	Consideration and Possible Action to Approve the Minutes of the February 8, 2001 Meeting of the Executive Committee of the Board of Trustees (See Appendix A – Draft Minutes)	<b>Action</b>
B.	Report of the New de Young Museum Building Committee on the Plans and Cost Estimate for a New de Young Museum in Golden Gate Park – Steven MacGregor Read, Chair	<b>Discussion</b>
C.	Consideration and Possible Action to Adopt a Resolution to Implement the Next Stage of Planning to Prepare for the Construction of a New de Young Museum in Golden Gate Park as Requested by the Board of Trustees of the Fine Arts Museums of San Francisco, and Authorizing the President of the Board of Trustees and the Chief Executive Officer to Take All Necessary Steps to Expediently Proceed with the Next Stage of Planning to Prepare for the Construction of the New de Young Museum in Golden Gate Park Including But Not Limited to Value Engineering Consistent with the \$115 Million Construction Budget, Preparation of Construction Documents, the Removal of Hazardous Materials and Related Work, the Expenditure of Funds, Execution of Necessary Agreements, and the Securing of Required Permits (Resolution to be Distributed at Meeting)	<b>Action</b>



- D. Report on the Capital Campaign to Build a New de Young Museum in Golden Gate Park **Discussion**

1. President's Campaign – Diane B. Wilsey, President
2. Supporting Organizations Committee – Cheryl Bancroft, Chair
3. FAMily Committee – Sylvia and Leonard Kingsley, Co-Chairs
4. Community Outreach Committee – Alvin H. Baum, Jr., Chair
5. Foundations and Corporations Committee – Richard H. Finn, Chair
6. Membership Committee – David M. Jamison, Chair

- E. Other Informational Items **Discussion**

1. Report on May 14, 2001 Annual Donor Luncheon

**IV. Director's Report - Harry S. Parker III**

- A. Report on COFAM Operating Budget as of February 28, 2001 (See Appendix B – Report on COFAM Operating Budget as of February 28, 2001) **Discussion**

- B. Consideration and Possible Action to Adopt a Resolution Authorizing the Transfer of Stock **Action**

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums (COFAM) does hereby authorize that any two of the following individuals are fully authorized and empowered to sell, assign, transfer, and deliver any and all shares of stock, bonds, debentures, notes, evidences of indebtedness, or other securities now or hereafter standing in the name of or owned by this Corporation and to make, execute, and delivery any and all written instruments necessary or proper to effectuate the authority hereby conferred, including execution of all written instructions necessary for our nominees, Wells Fargo Bank, Dresdner RCM Global Investors, and Merrill Lynch, to implement the transaction.

Authorized Individuals:

Harry S. Parker III, Chief Executive Officer

Stephen E. Dykes, Treasurer

Barbara Boucke, Deputy Director for Development.

Robert M. Cullison, Controller

- C. Other Informational Items **Discussion**



**V. Report of the Nominating Committee – Nion McEvoy, Chair** **Discussion**

- A. Consideration and Possible Action to Elect the Following Officers to a Term of One Year **Action**

Diane B. Wilsey, President  
Belva Davis, Vice President of Civic Affairs and Audience Development  
Diane B. Lloyd-Butler, Vice President of Marketing and Communications  
J. Alec Merriam, Vice President  
Robert P. Morrow III, Vice President of Finance  
Shelagh Rohlen, Vice President of Annual Support  
Harry S. Parker III, Chief Executive Officer  
Steve Dykes, Treasurer  
Judy Gough, Secretary

- B. Consideration and Possible Action to Elect the Following COFAM Executive Committee Members to a Term of One Year **Action**

Steven MacGregor Read  
Paul Violich

- C. Consideration and Possible Action to Adopt a Resolution Setting the Number of Trustee Positions **Action**

WHEREAS, On June 14, 1990, the Corporation of The Fine Arts Museums By-Laws were amended to provide for a variable number of Trustees; and

WHEREAS, The amendment stated that the authorized number of Trustees shall not be less than thirty-eight and not more than seventy-five, the exact authorized number to be set by the Board of Trustees from time to time; now, therefore, be it

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums does hereby set the number of Trustees at fifty-eight until such number is changed by this Board.





- |  |   |                   |
|--|---|-------------------|
| <b>VI.</b>   | <b>Report of the Audit Committee – Richard W. Goss II, Chair</b>  | <b>Discussion</b> |
| A.   | Consideration and Possible Action to Adopt a Resolution Accepting the PricewaterhouseCoopers Combined Financial Statements for the Fiscal Year Ending June 30, 2000 (See Appendix – Combined Financial Statements for the Fiscal Year Ending June 30, 2000) | <b>Action</b>     |
| <p>WHEREAS, PricewaterhouseCoopers submitted to the Corporation of The Fine Arts Museums (COFAM) Audit Committee a draft Combined Financial Statement for the year ended June 30, 2000, including COFAM, The Fine Arts Museums Foundation, and the Fine Arts Museums of San Francisco as a department of the City and County of San Francisco; and</p> <p>WHEREAS, On February 15, 2001, the COFAM Audit Committee reviewed these financial statements and recommended that the COFAM Board of Trustees accept them; now, therefore, be it</p> <p>RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums, upon the recommendation of the COFAM Audit Committee, does hereby accept the PricewaterhouseCoopers Combined Financial Statements of the Fine Arts Museums of San Francisco for the year ending June 30, 2000.</p> |   |                   |
| <b>VII.</b>  | <b>Report of the Annual Support Committee – Shelagh Rohlen, Chair and Vice President</b>  | <b>Discussion</b> |
| <b>VIII.</b>   | <b>Report of The Fine Arts Museums Foundation – Charles Crocker, President</b>  | <b>Discussion</b> |
| <b>IX.</b>   | <b>Annual Reports of Supporting Organizations (Written Reports to be Submitted at the Meeting)</b>  | <b>Discussion</b> |
| A.   | Achenbach Graphic Arts Council – Bill Clark, 2 <sup>nd</sup> Vice Chair   |                   |
| B.   | American Art Study Center Advisory Council - Nancy Boas, Chair  |                   |
| C.   | Ancient Hellenic Arts Council - Michael Zagaris, Acting President   |                   |
| D.   | Artist Book Council - Emily Marcus, Chair   |                   |
| E.   | ArtPoint – Danielle Machotka, Co-Chair  |                   |
| F.   | The Docent Council – Margaret Gordon, Area Chair, Western Art Docents   |                   |
| G.   | European Decorative Arts Council - Adolphus Andrews, Jr., Chair   |                   |



- H. Friends of New Art - Robert J. Bransten, Program Chair
- I. Belvedere-Tiburon Auxiliary – Lois Cannady, Chair
- J. East Bay Auxiliary – Jeanette Roach, Chair
- K. Hillsborough Auxiliary – Maria Evans, Chair
- L. Ross Auxiliary – Michael Moore, Chair
- M. San Francisco Auxiliary - Jane Forbes, Chair
  - 1. Bouquets to Art – Jane Hickerson and Venetta Rohal, Co-Chairs
- N. Flower Committee – Lynn Scher, Chair
- O. National Council - Margaret Wetzel, Co-Chair
- P. San Francisco Ceramic Circle - Colin Knight, President
- Q. Textile Arts Council – Gretchen Turner, Chair
- R. Volunteer Council – Phyllis Scaduto, Chair Elect, Steering Committee

**X. Public Comment**

Members of the public may address the Board of Trustees on items not on the agenda that are within the subject matter jurisdiction of the Corporation of The Fine Arts Museums. Speakers may address the Board for up to three minutes; the President or the Board of Trustees may limit the total comment to thirty minutes.

**XI. Adjournment – Diane B. Wilsey, President**

**Action**



Public Meeting Requirements Relating to Accessibility

The subsequent information is in compliance with the Americans with Disabilities Act (ADA); the following will be made available upon request: (1) American sign language interpreters; (2) a sound enhancement system; (3) a meeting agenda available in alternative formats; and (4) a reader during the meeting. To arrange for these services, please contact Judy Gough at (415) 750-3669 at least two working days prior to a meeting. A late request will be honored if possible. Minutes of the meeting will be made in alternative formats upon request. Meeting agendas are available on the Fine Arts Museums of San Francisco website, [www.thinker.org](http://www.thinker.org).

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, those attending public meetings are reminded that others may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

The MUNI's wheelchair-accessible No. 18 line stops in front of the Legion. For access to the Legion from downtown, take MUNI's wheelchair-accessible No. 38 Geary line to 33rd and Clement and connect with the No. 18 line. For more information about MUNI's accessible services, call (415) 923-6142.

There are accessible parking spaces (disabled-designated) available in front of the Legion. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. For Telecommunication Device for the Deaf (TDD), the Museums use the California Relay Service.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the President may order the removal from the meeting of any person(s) responsible for the ringing or use of cell phones, pagers, or other similar sound-producing electronic devices.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force:

Donna Hall, Administrator  
Sunshine Ordinance Task Force  
City Hall, Room 409  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4683  
Office: (415) 554-7724  
Fax: (415) 554-7854  
E-mail: [Donna\\_Hall@ci.sf.ca.us](mailto:Donna_Hall@ci.sf.ca.us)

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at [www.ci.sf.ca.us/bdsupvrs/sunshine](http://www.ci.sf.ca.us/bdsupvrs/sunshine).

If you are unable to attend the meeting, you may submit written comments to Judy Gough, Fine Arts Museums of San Francisco, 233 Post Street, 6<sup>th</sup> Floor, San Francisco, CA, 94108. Public documents referred to in the agenda may be inspected at the Administrative Offices of the Fine Arts Museums located at 233 Post Street, 6<sup>th</sup> Floor, San Francisco, CA, 94108. Please contact Judy Gough at (415) 750-3669 to make arrangements.



# COFAM Budget Report For The Month Ended 28 February 2001

	<u>Page</u>
Budget-In-Brief Narrative	
Cumulative Surplus (Loss) Chart	1
Resources & Expenses Detail	6
Annual Contributions – Appendix A	7
Stores Report – Appendix B	8
Exhibitions – Appendix C	
Balance Sheet	10





## **COFAM Operating Budget-In-Brief**

Month Ended 28 February 2001

### **Overview**

Cumulative eight-month FY 2000-01 results were \$421k in the black; the budget expectation was \$628k.

The COFAM Reserve was \$3,976k at the end of February, compared to \$3,954 the month before. Board policy is to keep the reserve at \$2 million or more. The current high reserve is the legacy of the *O'Keefe* exhibit surplus from last fiscal year.

### **Support & Revenue**

At \$4,312 total support was \$245k more than budget. Cumulative Annual Contributions were ahead of budget by \$143k, exhibition draws were less than expected due to lower show costs, and \$105k was brought into the specified funds general line from the New de Young Project funds to offset closing event expenses of the old building. Investment income did better than expected and was up \$82k.

At \$4,639 revenues were \$391k under budget. Store gross profit was close to budget. Admission fees were down \$252k, owing to a slow fall at the Legion and free admission during the busy closing week of the deYoung. Membership income was also off by \$150k (3,295 paid memberships below budget for a total of 49,509). The critical member renewal period is winter / spring 2001, which covers a membership bubble, created by the most popular shows in recent years.



## Expenses

At \$4,814 personnel costs were \$220k less than budget due to projects paid with specified funds occurring later than expected, exhibitions temporary staff coming under budget, and savings from vacant fulltime positions.

At \$3,743 other expenses were over budget by \$308k. Development costs were up \$86k primarily due to trustee trip expenses, which will be covered by participant fees. Special events were also running somewhat ahead of budget. Membership costs were over by \$69k because of the January renewal drive, which occurred earlier than the budget model. Administrative general costs were up by \$68k due mainly to old de Young closing event costs, which were paid with New de Young Project funds. The remaining variations in other expenses were mostly the result of timing differences between the budget plan and reality.

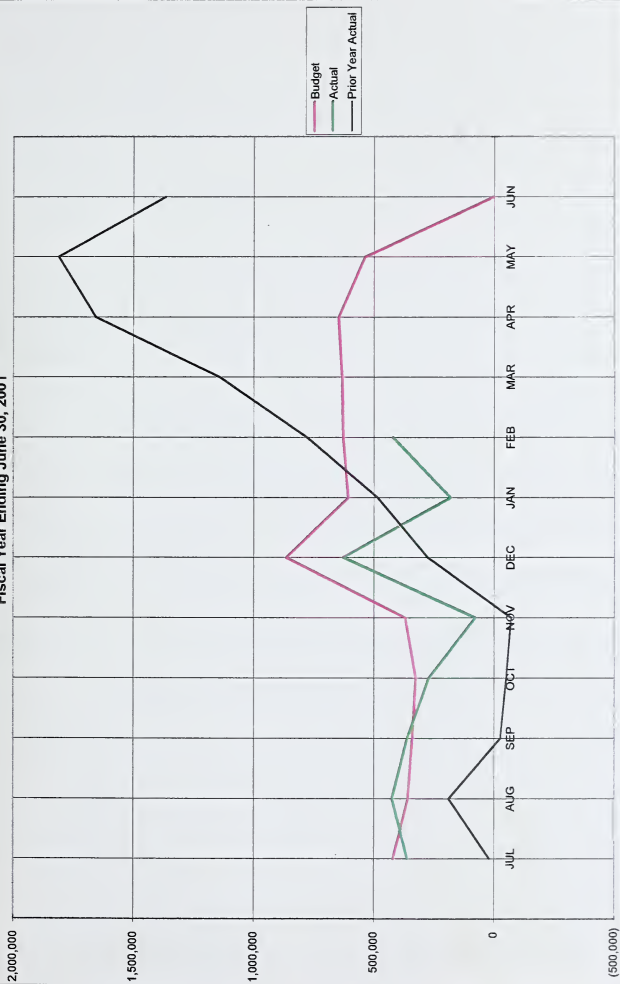
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E-MAIL: CHEM@UCHICAGO.EDU

# COFAM CUMULATIVE SURPLUS (LOSS) CHART

Fiscal Year Ending June 30, 2001





\$ in thousands

	(1)		(2)		(3)		(4)
	Original Budget	Actual	Variance to M-T-D Budget	8-Months Original Budget	Actual	Variance to Y-T-D Budget	
<b>SUPPORT &amp; REVENUE</b>							
Support							
1) Annual Contributions	102	162	60	1,489	1,832	143	1,605
2) Foundation Endowment Support	176	178	2	1,406	1,408	2	1,052
3) Specified Funds	29	69	40	242	267	25	245
-Curatorial/Conservation	0	0	0	50	55	5	90
-Publications	31	25	(6)	308	174	(135)	202
-Exhibitions	8	16	9	175	164	(12)	185
-Education Programs	13	144	131	239	373	134	51
-General							
Subtotal Specified Funds	81	255	174	1,015	1,032	17	773
4) COFAM Investment Income	15	23	8	158	240	82	106
Subtotal Support	374	618	244	4,068	4,312	245	3,575

See page 6.





COFAM FY 2000-01 Operating Budget At February 28, 2001 (8 Months - 66.7% Of The Budget Year)

\$ in thousands

	(1)			(2)		(3)		(4)
	February Original Budget	Actual	Variance to M-T-D Budget	8-Months Original Budget	Actual	Variance to Y-T-D Budget	% Actual To Budget	
Revenue								
5) Museum Store Sales	65	51	(14)	1,398	1,457	61	72%	1,345
Less Discounts	(3)	(5)	(2)	(64)	(150)	(86)	170%	(66)
Less Cost of Goods	(33)	(24)	9	(727)	(752)	(25)	71%	(716)
Less Commissions and Royalties	(1)	0	1	(6)	0	6	0%	(1)
Gross Profit	29	22	(6)	599	555	(43)	63%	561
6) Facilities Rental Gross	62	28	(34)	457	439	(18)	71%	352
7) Benefits Gross Income / Art Point	20	10	(10)	163	125	(38)	59%	128
8) General Admissions COFAM Net	88	57	(31)	1,080	828	(252)	54%	1,142
9) Food & Beverage Concession Fees	9	1	(7)	93	121	28	97%	95
10) Exhibition Program Earned Income	50	25	(25)	209	212	3	62%	117
11) Membership Dues	269	282	13	1,900	1,751	(150)	60%	1,996
12) Conservation Services	66	43	(22)	247	238	(9)	55%	237
13) Miscellaneous								
-Development Trip Fees	50	8	(42)	80	82	2	34%	58
-Publication Sales Net	7	36	28	55	120	64	136%	36
-Other Fees	20	44	25	147	169	22	72%	134
Subtotal Revenue	669	557	(112)	5,030	4,639	(391)	61%	4,866
Total Support & Revenue	1,042	1,175	133	9,098	8,951	(147)	63%	8,461

See page 7.

See pages 8 and 9.

Museum Attendance:

Legion - February 2001: 21,702 visitors, 40.1% paid, budgeted - 25,000 visitors, 45% paid  
 Year to Date: 306,058 visitors, 30.2% paid; budgeted - 280,530 visitors, 45% paid.  
 Legion: 192,691 visitors, 47.2% paid; budgeted - 225,289 visitors, 45% paid.

Membership:

Year to date: 26,133 dues paid members averaging \$66.99 per member  
 compared to budgeted goals of 29,426 dues paid members averaging \$64.57 per member.  
 Current active paying members = 49,509



\$ in thousands

	(1)		(2)		(3)		(4)
	February Original Budget	Actual	Variance to M-T-D Budget	8-Months Original Budget	Actual	Variance to Y-T-D Budget	
EXPENSES							
Personnel Expenses							
14) Curatorial							
Curatorial/Conservation/Education	194	200	6	1,665	1,644	(22)	1,501
Project Funded Employees	48	41	(7)	435	385	(50)	330
Exhibit Group	71	64	(6)	614	545	(70)	485
Exhibit Program Temporary Labor	7	17	10	91	106	15	148
15) Development							
Development - General	45	42	(3)	387	369	(18)	334
Membership	33	36	2	283	278	(5)	223
16) Administration							
Administration General	98	92	(7)	844	789	(56)	749
Operations Group	25	24	(1)	212	202	(10)	184
17) Marketing							
Media Relations & Advertising	22	22	0	191	189	(2)	140
Stores	28	23	(4)	257	238	(19)	242
Facilities Rental	6	6	(0)	53	69	16	58
Subtotal Personnel	577	568	(10)	5,034	4,814	(220)	4,395



\$ in thousands

	(1)			(2)		(3)		(4)
	February Original Budget	Actual	Variance to M-T-D Budget	8-Months Original Budget	Actual	Variance to Y-T-D Budget	% Actual To Budget	
Other Expenses								
18) Curatorial								
Curatorial/Conservation/Education	51	51	0	384	399	16	66%	379
Publications	0	0	0	50	55	5	109%	90
Exhibit Group	9	5	(5)	86	68	2	62%	49
Exhibit Program	52	10	(41)	447	475	28	48%	490
19) Development								
Development - General	25	41	15	171	257	86	40%	303
Art Point	12	0	(12)	58	27	(30)	25%	38
Benefits	16	0	(16)	76	88	12	115%	62
Membership	64	80	15	245	314	89	56%	358
Magazine / Guide	10	0	(10)	242	232	(10)	58%	164
20) Administration								
Administration General	94	73	(22)	826	894	68	73%	€40
Operations Group	63	58	(5)	477	479	2	60%	379

Continued ...



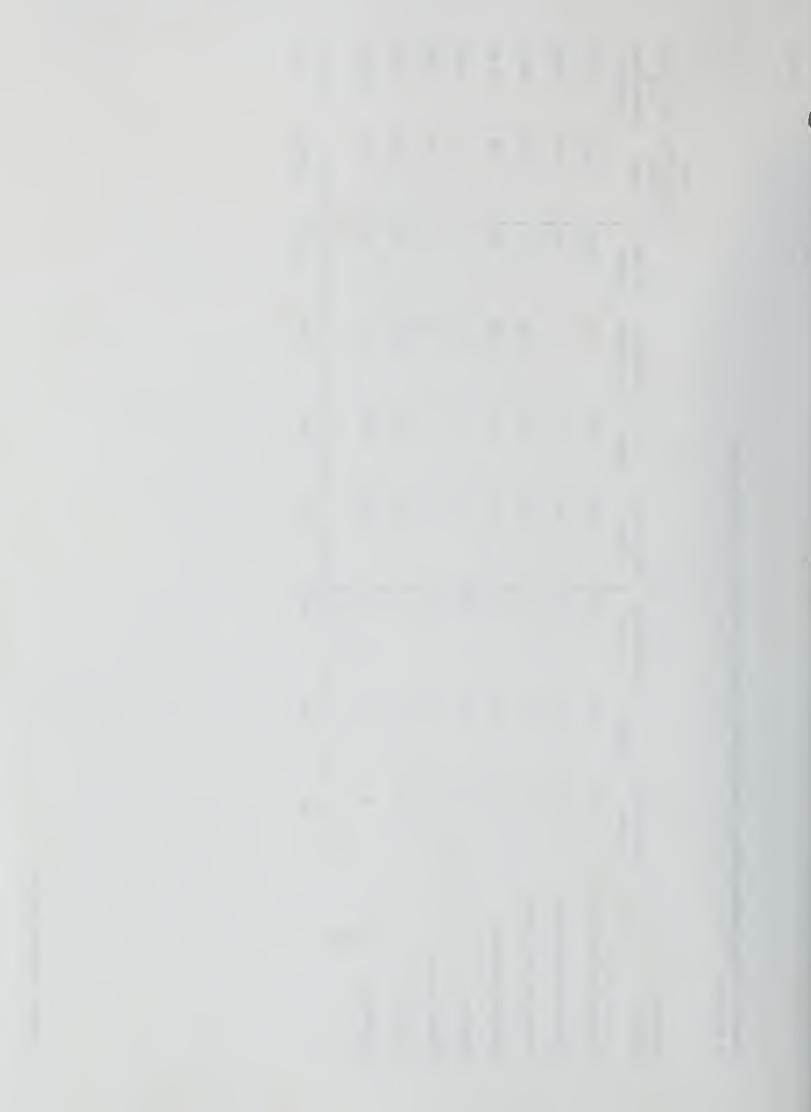
\$ In thousands

	(1)		(2)		(3)		(4)
	February		8-Months				
	Original Budget	Variance to M-T-D Budget	Original Budget	Variance to Y-T-D Budget	Original Budget	% Actual To Budget	Actual Prior Year At 8 Months
Other Expenses Continued							
21) Marketing							
Media Relations & Advertising	35	26 (10)	223	265 43	464	57%	259
Stores	4	2 (1)	40	70 30	68	103%	45
Facilities Rental	10	5 (5)	131	120 (11)	185	65%	91
Subtotal Other Expenses	445	349 (96)	3,434	3,743 308	6,292	59%	3,347
City Partial Reimbursement for Education Program / Administration and Building Operation Expenses	(20)	(4) 16	(146)	(243) (97)	(243)	100%	(338)
Total Expenses	1,002	913 (89)	8,323	8,314 (9)	13,781	60%	7,742
SUPPORT & REVENUE OVER EXPENSES	40	262 222	775	638 (137)	329	194%	719
LESS PLANT FUND EXPENSES	(18)	(23) (4)	(147)	(216) (70)	(325)	67%	(216)
THE BOTTOM LINE	22	240 218	628	421 (207)	4	3	503





(1) Contribution Categories	(2)	(3)	(4)
	February 2001 Actuals	Budget	February 2000 Actuals
	Year To Date, Budget	Variance to Y-T-D Budget	Prior Year Actuals
	Actuals	% of Annual Goals Achieved	Current Year Annual Goals
1) Associates (\$5,000 and up)	93	100	185
2) Patrons (\$2,500 - \$5,000)	28	5	15
3) Friends (\$1,000 - \$2,500)	39	50	55
4) National Council/Other	3	6	2
5) Mail Drive	0	40	(0)
6) Phone Campaign	0	5	0
7) Business	0	5	8
8) Foundations	0	5	5
	162	216	272
	1,603	1,632	29
	1,550	130	1,504
	475	60	2,665
	105	95	61.2%
	150	100	69.8%
	87	100	54.2%
	20	105	38.4%
	4	105	0.6%
	7	95	0.0%
	59	150	41.7%
	87	100	155.8%
	1,603	1,632	29
	1,550	130	1,504
	475	60	2,665
	105	95	61.2%
	150	100	69.8%
	87	100	54.2%
	20	105	38.4%
	4	105	0.6%
	7	95	0.0%
	59	150	41.7%
	87	100	155.8%



Appendix B -- Stores Report: 8 Months Ended February 28, 2001  
\$ in thousands

	In House Merchandising.....		Outside Merchandising.....	
	(1) deYoung Store Budget	(2) Legion Store Budget	(3) Wholesale & Royalties Budget	(4) Actual
Sales	456	529	71	38
Discounts	(27)	(28)	(45)	(27)
Cost of Goods	(237)	(259)	(5)	0
Commissions & Royalties	0	0		
Gross Profit	191	244	21	10
Personnel Expenses	129	68	22	14
Other Expenses	18	14	0	1
Total Expenses	147	82	22	15
Gross Profit Over Expenses	45	161	(1)	(4)
Variance Actual to Budget		(58)		(4)

	Exhibition Merchandising.....		Grand Totals	
	(4) Thiebaud Store Budget	(5) Touilouse/Montmartre Store Budget	(6) Budget	(7) Actual
Sales	361	0	1,418	1,457
Discounts	(11)	0	(65)	(150)
Cost of Goods	(198)	0	(740)	(752)
Commissions	0	0	(5)	0
Gross Profit	152	0	608	555
Personnel Expenses	25	0	244	236
Other Expenses	8	0	40	69
Total Expenses	33	0	283	305
Gross Profit Over Expenses	119	0	325	249
Variance Actual to Budget		41		(75)



		(1) Run	(2) Cost	(3) Gifts and Grants	(4) Income	(5) Net
<b>In-House Exhibitions</b>						
<b>Legion of Honor</b>						
1	Recent Acquisitions from AGFA (148)	L 08-Apr-00	\$ -			0
2	Wayne Thibaud (144)	L 10-Jun-00	\$ 23,302	23,302 Root	76,440	76,440
3	Logan Book Room (3 rotations) (165)	L ongoing	\$ 5,000		17544 van-60%net @ \$2.00	(5,000)
4	Berchheimer Old Master Prints (116)	L 09-Sep-00	\$ 10,950			(10,950)
5	Anderson Collection of Graphic Arts (148)	L 07-Oct-00	\$ 116,425			(116,425)
6	Triumph of Fortitude (123)	L 16-Dec-00	\$ 7,770	7,530 Bennett, Heckelner		(240)
7	John Cage at Crown Point Press	L 23-Dec-00	\$ 8,450			(8,450)
8	Prints in Bloom	L 27-Jan-01	\$ 10,450			(10,450)
9	Toulouse-Lautrec and the Spirit of Montmartre (115)	L 10-Mar-01	\$ 184,039			(184,039)
10	Boquets to Art	L 13-Mar-01	\$ -			0
11	Recent Acquisitions of Contemporary Art from AGFA	L 16-Apr-01	\$ 6,950			(6,950)
12	Ed Ruscha	L 26-May-01	\$ 10,450			(10,450)
13	Henry Moore (110)	L 24-Jun-01	\$ 302,530		9,555	(292,975)
<b>De Young</b>						
14	Bruce Conner: 2000BC (178)	D 20-May-00	\$ 28,775	28,775 Root		0
15	Leonard Baskin (131)	D 27-Aug-00	\$ -			0
16	Crown Point rotations	D ongoing	\$ 500			(500)
17	John Gutmann Collector/Photographer (137)	D 06-Sep-00	\$ 9,800			(9,800)
18	Textiles from Three Continents (138)	D 19-Aug-00	\$ 25,410			(25,410)
19	The Kingdoms of Edward Hicks (106)	D 24-Sep-00	\$ 144,850	144,850 Root		0
20	Art with Elders	D 27-Sep-00	\$ 2,500	2,500 Nellies		0
						Continued

Admissions 175 per hr 60% paid \$2.00



v n u		(1) Runs	(2) Cost	(3) Gifts and Grants	(4) Income	(5) Net
	In-House Exhibitions					
21	Chilum Obata (154)	25-Sep-00	\$ 41,523	40,000 Root		0
						(1,523)
22	Harzog and de Meuron (126)	ongoing	\$ 4,200	4,200 day		0
						(5,000)
23	City Hall (153)	ongoing	\$ 5,000			100,000
						(513,722)
24	Grants and Gifts To Be Raised					
	Subtotal In-House Exhibits		\$ 948,874	349,157	85,995	
	FAM Travelling Exhibitions					
25	Gertner Myer to National Geographic (176)	26-Jun-00	\$ 10,000		40,000	0
26	Charles Jones to Chicago (164) to ICP, NY CANCELLED)	09-Sep-00 01-Mar-00	\$ 6,500 -		6,500 0	0
27	Thebaud to FL Worth Modern Art Museum (147) to The Phillips to Whitney Museum of American Art	24-Sep-00 10-Feb-01 28-Jun-01 23-Sep-01	\$ 132,500		195,000	0
28	Anderson 2000 to Palm Springs (146)	17-Jan-01	\$ 20,000		15,000	0
29	American Paintings (125)	TBD	\$ 50,000		0	0
30	Airport Exhibitions	TBD				0
31	Leonard Baskin (131)	09-Jan-01	\$ 9,265		8,000	(1,265)
	Subtotal Travelling Tours		\$ 228,265	0	0	0
						0
	Total In House and Travelling Exhibitions		\$ 1,177,139	349,157	350,495	(477,487)

1. The first part of the paper is devoted to the study of the properties of the function  $f(x)$  defined by the equation

$$f(x) = \int_0^x \frac{1}{1+t^2} dt$$

and to the study of the properties of the function  $F(x)$  defined by the equation

$$F(x) = \int_0^x \frac{1}{1+t^2} dt$$

and to the study of the properties of the function  $G(x)$  defined by the equation

$$G(x) = \int_0^x \frac{1}{1+t^2} dt$$

and to the study of the properties of the function  $H(x)$  defined by the equation

$$H(x) = \int_0^x \frac{1}{1+t^2} dt$$



\$ in thousands

## ASSETS

Cash	537
Cash Equivalents	40,659
Accounts Receivable	3,397
Prepaid Expenses	194
Note Receivable	250
Inventory - Store	756
Inventory - Publications	508
Investment in Bonds	550
Furniture & Equipment (Net)	319
	<u>47,170</u>

## LIABILITIES &amp; FUND BALANCES

Accounts Payable	310
Other Accrued Liabilities	4,298
Deferred Income - Restricted	36,559
Deferred Income - Unrestricted	3,818
Fund Balances	
Unrestricted Fund	3,527
Plant Fund	(2,171)
Revenues over Expenses	829
(Note 2)	
	<u>47,170</u>

## COFAM Reserve At 12/31/00

3,976

## Note 1 -- Reserve Formula

Cash & Cash Equivalents	41,196
Bonds	550
Accounts Receivable	3,397
Less Accounts Payable	(310)
Less Other Accrued Liabilities	(4,298)
Less Deferred Income - Restricted	(36,559)
	<u>3,976</u>

## Note 2 -- Revenues over Expenses

Operating Revenue over Expenses	638
Less Plant Fund	(216)
Plus Restricted Funds	407
Less Airport Fund	0
Surplus / (Deficit)	<u>829</u>



\$ in thousands

## ASSETS

Cash	493
Cash Equivalents	41,177
Accounts Receivable	3,434
Prepaid Expenses	151
Note Receivable	250
Inventory - Store	717
Inventory - Publications	458
Investment in Bonds	650
Furniture & Equipment (Net)	337
	<u>47,667</u>

## LIABILITIES &amp; FUND BALANCES

Accounts Payable	603
Other Accrued Liabilities	4,268
Deferred Income - Restricted	36,929
Deferred Income - Unrestricted	3,996
Fund Balances	
Unrestricted Fund	3,527
Plant Fund	(2,171)
Revenues over Expenses	515
(Note 2)	
	<u>47,667</u>

## COFAM Reserve At 12/31/00

3,954

## Note 1 -- Reserve Formula

Cash & Cash Equivalents	41,670
Bonds	650
Accounts Receivable	3,434
Less Accounts Payable	(603)
Less Other Accrued Liabilities	(4,268)
Less Deferred Income - Restricted	(36,929)
	<u>3,954</u>

## Note 2 -- Revenues over Expenses

Operating Revenue over Expenses	369
Less Plant Fund	(193)
Plus Restricted Funds	339
Less Airport Fund	0
Surplus / (Deficit)	<u>515</u>



Order of Business

**Members Meeting of The Fine Arts Museums Foundation**

ANNUAL MEETING

**Board Room**

**Legion of Honor**

Golden Gate Park

San Francisco, CA

**Thursday, April 12, 2001**

Time: 4:15 p.m. or such earlier time as the FAMSF Board of Trustees and the COFAM Board of Trustees meetings end, but in no event before **3:00 p.m.**

**Calling of the Meeting to Order** by the Foundation President, Charles Crocker

**Calling of the Roll:**

Members:

Del M. Anderson

Cheryl L. Bancroft

Alvin H. Baum, Jr.

Alix Phillips Becker

George McNear Bowles

Jamie Bowles

T. Robert Burke

Barbara B. Carleton

Iris S. Chan

Barnaby Conrad III

Marion Moore Cope

Charles Crocker

Belva Davis

Dagmar Dolby

Richard P. Essey

Richard H. Finn

Morgan Flagg

Harrison S. Fraker, Jr., FAIA

Tamara Fritz

Rupert Garcia

Richard N. Goldman

Constance Goodyear

Nancy Hamon

George Hecksher

Jacqueline Hoefer

Beverly James

J. Burgess Jamieson  
Ann L. Johnson, M.D.  
Stephen L. Johnson  
Terrence Johnson  
William R. Kimball  
Diane B. Lloyd-Butler  
Nancy McBean  
Nion McEvoy  
J. Alec Merriam  
Lorna F. Meyer  
Joy Ou  
Marianne H. Peterson  
Josie Mooney  
Robert P. Morrow III  
Michael E. O'Neill  
Shelagh Rohlen  
George B. Saxe  
Randolph R. Scott  
Burl A. Toler, Sr.  
Vivian Fei Tsen  
Carlos Pedro Villa  
Lonna Wais  
Margaret Wetzel  
Nancy Willis  
Diane B. Wilsey  
David Winton

**Approval of Minutes** - The meeting of the members on April 13, 2000 and June 8, 2000 - copies attached.

APPROVED \_\_\_\_\_

**Report by President Charles Crocker on the Financial Condition and Operation of the Foundation.**

**Election of Trustee:**

Trustee for Election

Paul Violich (first term)

ELECTED \_\_\_\_\_

The term is for three years and will expire in April 2004.

Trustees may succeed themselves in office; provided, however that no Trustee may be elected for more than three (3) consecutive terms.

The Foundation Board consists of 10 Trustee positions, which include an ex-officio voting position for the President of the Board of Trustees of the Corporation of The Fine Arts Museums. One position will be left vacant at this time.

Other Trustee members are:

	<u>Term Expires</u>
Diane B. Wilsey	Ex-officio member
Richard W. Goss II	October 2001 (first term)
Leonard E. Kingsley	April 2002 (third term)
J. Alec Merriam	April 2003 (first term)
Steven MacGregor Read	April 2003 (first term)
George R. Roberts	April 2002 (second term)
Gail P. Seneca	April 2003 (second term)
Alfred S. Wilsey	April 2002 (third term)

**Election For Trustees Emeriti Status:**

Charles Crocker - Mr. Crocker joined the Board in 1985.  
Robert A. Mills - Mr. Mills joined the Board in 1989.

ELECTED\_\_\_\_\_

**Ratification of the Selection of PricewaterhouseCoopers as Outside Independent Auditors of the Foundation for Fiscal Year 1999-2000.**

RESOLVED, That the membership of The Fine Arts Museums Foundation does hereby ratify the selection of PricewaterhouseCoopers as this Corporation's independent public accountant for Fiscal Year 1999-2000.

RATIFICATION\_\_\_\_\_

**Other Business**

**Adjournment**





A meeting of the members of The Fine Arts Museums Foundation was held in Gallery 23 at the M. H. de Young Memorial Museum on Thursday, April 13, 2000 at 5:00 p.m.

## **Roll Call**

### Members Present

Alvin H. Baum, Jr.  
Alix Phillips Becker  
Mrs. Philip E. Bowles III  
T. Robert Burke  
Mrs. Barbara B. Carleton  
Belva Davis  
Mrs. Ray Dolby  
Richard P. Essey  
Richard H. Finn  
Morgan Flagg  
Ms. Frankie Jacobs Gillette  
Mrs. Richard Goodyear  
George Hecksher  
Beverly James  
J. Burgess Jamieson  
Stephen L. Johnson  
Diane B. Lloyd-Butler  
Nion McEvoy  
J. Alec Merriam  
Mrs. Thomas P. Rohlen  
George B. Saxe  
Burl A. Toler, Sr.  
Vivian Fei Tsen  
Mrs. Charles F. Willis  
Mrs. Alfred S. Wilsey

### Members Absent

Del M. Anderson  
Mrs. David P. Bancroft  
George McNear Bowles  
Mrs. Lynn C. Fritz  
Richard N. Goldman  
Mrs. Nancy Hamon  
Ann L. Johnson, M.D.  
Mrs. Peter McBean  
Lorna F. Meyer

Members Absent (continued)

Michael W. Michelson  
Josie Mooney  
Robert P. Morrow III  
Michael E. O'Neill  
Steven MacGregor Read  
Dolores G. Terrazas  
Sidney R. Unobskey  
Carlos Villa  
Marshall I. Wais, Sr.  
Mrs. Harry H. Wetzel

Charles Crocker, Foundation President, chaired the membership meeting. In Michele Gutierrez's absence, Judy Gough served as Secretary. A quorum (of at least fifteen) was present.

**Membership** - The Fine Arts Museums Foundation membership is made up of the voting members of the Board of Trustees of The Fine Arts Museums of San Francisco, excluding the two ex-officio members: the Mayor and the President of the Recreation and Park Commission.

**Minutes Approved** - The minutes of the members' meeting of April 8, 1999 were unanimously approved.

**Financial Condition and Operations of the Foundation**

The Fine Arts Museums Foundation is a California non-profit corporation, organized to invest the endowment and certain restricted funds of The Fine Arts Museums. The Foundation also serves as the Investment Committee of COFAM. The Foundation Trustees meet quarterly, primarily to review the performance of the managers of the Endowment Fund.

The market value of the Endowment Fund at the close of business on April 7, 2000 was \$88,267,949.

The Foundation continues its policy to use a total return investment strategy, emphasizing long-term growth and capital appreciation. The Foundation's distribution policy is based on a twenty-four month rolling average value, calculated on March 31<sup>st</sup> for succeeding fiscal year beginning on July 1<sup>st</sup>. The rate used for Fiscal Year 1999-2000 is 4.65% with 4.5% for museum support, and .15% to cover Foundation operating expenses, exclusive of investment manager fees.

## **Election of Trustees**

Mr. Crocker reported that the Foundation Trustees submitted their Trustee nominations to the membership for election. He made the following nomination report for the Fine Arts Museums Foundation Trustee positions:

### Trustee for Reelection

Gail P. Seneca (second term)

### Trustee for Election

Steven MacGregor Read (first term)

On motion, duly seconded and carried unanimously, the nominees were elected as Foundation Trustees.

The terms are for three years and will expire in April 2003.

Trustees may succeed themselves in office; provided, however that no Trustee may be elected for more than three (3) consecutive terms.

The Foundation Board consists of 10 Trustee positions, which include an ex-officio voting position for the President of the Board of Trustees of the Corporation of The Fine Arts Museums. One position will be left vacant at this time.

Other Trustee members are:

	<u>Term Expires</u>
Mrs. Alfred S. Wilsey	Ex-officio member
Charles Crocker	April 2001 (third term)
Richard W. Goss II	October 2001 (first term)
Leonard E. Kingsley	April 2002 (third term)
Robert A. Mills	April 2001 (third term)
George R. Roberts	April 2002 (second term)
Alfred S. Wilsey	April 2002 (third term)

### Election To Trustees Emeriti Status

Walter S. Newman - Mr. Newman joined the Board in 1977.

William A. Stimson - Mr. Stimson joined the Board in 1987.

On motion, duly seconded and carried unanimously, the nominees were elected as Foundation Trustees Emeriti.

**Ratification of the Selection of PricewaterhouseCoopers as Outside Independent Auditors of the Foundation for Fiscal Year 1998-99.**

Mr. Crocker presented the following resolution, which was unanimously adopted as **RESOLUTION NUMBER 13**:

RESOLVED, That the membership of The Fine Arts Museums Foundation does hereby ratify the selection of PricewaterhouseCoopers as this Corporation's independent public accountant for Fiscal Year 1998-99.

**Adjournment** - There being no further business, the meeting was adjourned at 5:05 p.m.

Submitted by  
Michele Gutierrez  
Secretary to the Foundation

A meeting of the members of The Fine Arts Museums Foundation was held in Gallery 23 at the M. H. de Young Memorial Museum on Thursday, June 8, 2000 at 5:35 p.m.

### **Roll Call**

#### Members Present

Cheryl H. Bancroft  
Alvin H. Baum, Jr.  
Alix Phillips Becker  
Jamie Bowles  
Barbara B. Carleton  
Barnaby Conrad III  
Belva Davis  
Richard P. Essey  
Morgan Flagg  
Constance Goodyear  
George Hecksher  
Beverly James  
Stephen L. Johnson  
Terrence Johnson  
William R. Kimball  
Diane B. Lloyd-Butler  
Nion McEvoy  
J. Alec Merriam  
Lorna F. Meyer  
Josie Mooney  
Robert P. Morrow III  
Michael E. O'Neill  
Marianne H. Peterson  
Randolph R. Scott  
Vivian Fei Tsen  
Carlos Villa  
Paul Violich  
Margaret Wetzel  
Nancy Willis  
Diane B. Wilsey

#### Members Absent

Del M. Anderson  
George McNear Bowles  
T. Robert Burke

Members Absent (continued)

Dagmar Dolby  
Richard H. Finn  
Tamara Fritz  
Richard N. Goldman  
Nancy Hamon  
J. Burgess Jamieson  
Ann L. Johnson, M.D.  
Nancy McBean  
Shelagh Rohlen  
Dolores G. Terrazas  
Burl A. Toler, Sr.  
George B. Saxe  
Sidney R. Unobskey  
Lonna Wais

Charles Crocker, Foundation President, chaired the membership meeting. In Michele Gutierrez's absence, Judy Gough served as Secretary. A quorum (of at least fifteen) was present.

**Membership** - The Fine Arts Museums Foundation membership is made up of the voting members of the Board of Trustees of The Fine Arts Museums of San Francisco, excluding the two ex-officio members: the Mayor and the President of the Recreation and Park Commission.

**Election of Trustee**

Mr. Crocker reported that the Foundation Trustees submitted their Trustee nominations to the membership for election. He made the following nomination report for the Fine Arts Museums Foundation Trustee position:

Trustee for Election

J. Alec Merriam (first term)

On motion, duly seconded and carried unanimously, the nominee was elected as a Foundation Trustee.

The term is for two years and ten months and will expire in April 2003.

Trustees may succeed themselves in office; provided, however that no Trustee may be elected for more than three (3) consecutive terms.

The Foundation Board consists of 10 Trustee positions, which include an ex-officio voting position for the President of the Board of Trustees of the Corporation of The Fine Arts Museums.

Other Trustee members are:

	<u>Term Expires</u>
Diane B. Wilsey	Ex-officio member
Charles Crocker	April 2001 (third term)
Richard W. Goss II	October 2001 (first term)
Leonard E. Kingsley	April 2002 (third term)
Robert A. Mills	April 2001 (third term)
Steven MacGregor Read	April 2003 (first term)
George R. Roberts	April 2002 (second term)
Gail P. Seneca	April 2003 (second term)
Alfred S. Wilsey	April 2002 (third term)

**Adjournment** - There being no further business, the meeting was adjourned at 5:40 p.m.

Submitted by  
Michele Gutierrez  
Secretary to the Foundation





CORPORATION OF THE FINE ARTS MUSEUMS

M.H. DE YOUNG MEMORIAL MUSEUM \* CALIFORNIA PALACE OF THE LEGION OF HONOR

DOCUMENTS DEPT.

OFFICIAL MEETING NOTICE

JUN 11 2001

Corporation of The Fine Arts Museums  
Board of Trustees

SAN FRANCISCO  
PUBLIC LIBRARY

Thursday, June 14, 2001  
3:30 p.m.<sup>1</sup>

Board Room  
California Palace of the Legion of Honor  
Lincoln Park  
San Francisco, California

AGENDA

ORDER OF BUSINESS

- I. **Calling of the Meeting to Order and Invitation to Members of the Public to Attend and Participate in Accordance with Recently Enacted Requirements that Not-for-Profit Organizations with City of San Francisco Contracts Conduct at Least Two Public Meetings a Year (San Francisco Administrative Code, Section 12L.4) – Diane B. Wilsey, President**
- II. **Calling of the Roll**

Trustees

Del M. Anderson  
Cheryl L. Bancroft  
Alvin H. Baum, Jr.  
Alix Phillips Becker  
George McNear Bowles  
Jamie Bowles  
T. Robert Burke  
Barbara B. Carleton  
Iris S. Chan  
Barnaby Conrad III  
Marion Moore Cope  
Charles Crocker  
Belva Davis, Vice President/Audience Development and Civic Affairs

<sup>1</sup> Or such time as the Fine Arts Museums of San Francisco Board of Trustees Meeting ends, but in no event before 3:30 p.m.



**Calling of the Role (continued)**

Dagmar Dolby  
Richard P. Essey  
Richard H. Finn  
Morgan Flagg  
Harrison S. Fraker, Jr., FAIA  
Tamara Fritz  
Rupert Garcia  
Richard N. Goldman  
Constance Goodyear  
Richard W. Goss II  
Nancy Hamon  
George Hecksher  
Jacqueline Hoefer  
Beverly James  
J. Burgess Jamieson  
Ann L. Johnson, M.D.  
Stephen L. Johnson  
Terrence Johnson  
William R. Kimball  
Leonard E. Kingsley  
Diane B. Lloyd-Butler, Vice President/Marketing and Communications  
Nancy McBean  
Nion McEvoy  
J. Alec Merriam, Vice President  
Lorna F. Meyer  
Robert A. Mills  
Josie Mooney  
Robert P. Morrow III, Vice President/Finance  
Michael E. O'Neill  
Joy Ou  
Marianne H. Peterson  
Steven MacGregor Read  
George R. Roberts  
Shelagh Rohlen, Vice President/Annual Support  
George B. Saxe  
Gail P. Seneca  
Randolph R. Scott  
Burl A. Toler, Sr.  
Vivian Fei Tsen  
Carlos Pedro Villa  
Lonna Wais  
Margaret Wetzel  
Nancy Willis



**Calling of the Role (continued)**

Diane B. Wilsey, President  
Alfred S. Wilsey  
David Winton

Absences to be Excused

Non-Voting Officers

Harry S. Parker III, Chief Executive Officer  
Steve Dykes, Treasurer  
Judy Gough, Executive Secretary

**III. Report of the President – Diane B. Wilsey**

- |    |   |                   |
|----|---|-------------------|
| A. | Consideration and Possible Action to Approve the Minutes of the May 10, 2001 Meeting of the Executive Committee of the Board of Trustees (See Appendix A – Draft Minutes)                                 | <b>Action</b>     |
| B. | Report on the Plans for a New de Young Museum in Golden Gate Park   | <b>Discussion</b> |
| C. | Report of the New de Young Museum Building Committee on the Plans and Cost Estimate for the New de Young Museum in Golden Gate Park – Steven MacGregor Read, Chair  | <b>Discussion</b> |
| 1. | Consideration and Possible Action to Adopt a Resolution Approving the Building Construction Cost Estimate of \$135 Million for the New de Young Museum in Golden Gate Park (To Be Distributed At Meeting) | <b>Action</b>     |
| D. | Report on the Proposals for the Underground Garage in Golden Gate Park Under Review by the Concourse Authority  | <b>Discussion</b> |
| E. | Report on the Capital Campaign to Build a New de Young Museum in Golden Gate Park   | <b>Discussion</b> |
| F. | Other Informational Items   | <b>Discussion</b> |
| 1. | Report on May 14, 2001 Annual Donor Luncheon  | <b>Discussion</b> |
| 2. | Report on 2001-2002 Committees of the Board of Trustees   | <b>Discussion</b> |



**IV. Director's Report - Harry S. Parker III**

- |    |   |            |
|----|---|------------|
| A. | Report on COFAM Operating Budget as of April 30, 2001<br>(See Appendix B – Report on COFAM Operating Budget as of April 30, 2001) | Discussion |
| B. | Consideration and Possible Action to Adopt a Resolution Authorizing the Transfer of Stock   | Action     |

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums (COFAM) does hereby authorize that any two of the following individuals are fully authorized and empowered to sell, assign, transfer, and deliver any and all shares of stock, bonds, debentures, notes, evidences of indebtedness, or other securities now or hereafter standing in the name of or owned by this Corporation and to make, execute, and delivery any and all written instruments necessary or proper to effectuate the authority hereby conferred, including execution of all written instructions necessary for our nominees, Wells Fargo Bank, Dresdner RCM Global Investors, and Merrill Lynch, to implement the transaction.

Authorized Individuals:

Harry S. Parker III, Chief Executive Officer

Stephen E. Dykes, Treasurer

Barbara Boucke, Deputy Director for Development.

Robert M. Cullison, Controller

- |    |   |            |
|----|---|------------|
| C. | Report on Contract with Wolff-Olins to Develop Identity Language and Symbols for the Fine Arts Museums of San Francisco, the California Palace of the Legion of Honor, and the M. H. de Young Memorial Museum | Discussion |
| D. | Other Informational Items   | Discussion |

**V. Report of the Nominating Committee – Nion McEvoy, Chair** Discussion

- |    |   |        |
|----|---|--------|
| A. | Consideration and Possible Action to Elect Richard W. Goss II to the COFAM Executive Committee for a Term of One Year | Action |
|----|---|--------|





**VI. Report of the Budget Committee – Robert P. Morrow III, Chair and Vice President of Finance** **Discussion**

- A. Consideration and Possible Action to Adopt a Fiscal Year 2001-02 Operating Budget (See Appendix C – Fiscal Year 2001-02 Operating Budget) **Action**

WHEREAS, The Board of Trustees of the Corporation of The Fine Arts Museums (COFAM) is strongly committed to the policy of achieving a balanced operating budget every fiscal year, including the cost of plant fund expenses; and

WHEREAS, Balanced budgets are key to the financial stability of the Museums and to the sound management of their resources; and

WHEREAS, The closure of the old de Young Museum has put the institution under considerable financial strain until the new de Young Museum opens in the Summer of 2005; and

WHEREAS, A \$13.4 million balanced operating budget plan has been developed for FY 2001-02, which falls short of covering plant fund expenses due to declining revenues; and

WHEREAS, The COFAM Budget Committee has reviewed the FY 2001-02 \$13.4 million operating budget and recommends it to the Board of Trustees for approval; now, therefore, be it

RESOLVED, That the Board of Trustees of the Corporation of the Fine Arts Museums continues to endorse the key financial policy of balanced operating budgets, which includes plant fund expense; and be it

FURTHER RESOLVED, That the \$13.4 million operating budget for FY 2001-02 is approved, and that the requirement to cover plant fund expenses is waived for FY 2001-02 because of the difficult financial times that the Museums are undergoing.

**VII. Report of the Audit Committee – Richard W. Goss II, Chair** **Discussion**

- A. Consideration and Possible Action to Adopt a Resolution Appointing Auditors **Action**

RESOLVED, That PricewaterhouseCoopers is appointed to audit the combined balance sheet of the Fine Arts Museums of San Francisco (FAM) as of June 30, 2001 and the related combined statements of revenues, expenses and changes in fund balances for the year then ended; and that the combined financial statements will include COFAM, The Fine Arts Museums



Foundation (FAMF), and FAM as recorded on the books of the City and County of San Francisco; and be it

FURTHER RESOLVED, That PricewaterhouseCoopers is also appointed to undertake a COFAM Retirement Plan Audit and a Registration Department Agreed-Upon Procedures Review; and be it

FURTHER RESOLVED, That COFAM's share of the audit cost of the combined financial statement for COFAM, FAM and FAMF plus the COFAM Retirement Plan Audit and the Registration Procedures Review will be about \$72,510 including out-of-pocket costs.

- |              |   |                   |
|--------------|---|-------------------|
| <b>VIII.</b> | <b>Report of the Annual Support Committee – Shelagh Rohlen, Chair and Vice President</b>  | <b>Discussion</b> |
| <b>IX.</b>   | <b>Report of The Fine Arts Museums Foundation – Richard W. Goss II, President</b>   | <b>Discussion</b> |
| A.           | Report on the Selection of an Investment Banker   | <b>Discussion</b> |
| B.           | Consideration and Possible Action to Adopt a Resolution Revising the Investment Guidelines for the Corporation of The Fine Arts Museums | <b>Action</b>     |

WHEREAS, The Fine Arts Museums Foundation is the Investment Committee for the Corporation of The Fine Arts Museums; and

WHEREAS, The Foundation has recommended that the following investment guidelines be adopted by the COFAM Board of Trustees:

**Investment Guidelines**

**Objectives**

Preservation of Capital  
High Degree of Liquidity  
Maximum Taxable Return

**Allowable Instruments**

United States Treasury Securities  
Federal Agency Securities  
Repurchase Agreements  
Commercial Paper  
Master Notes  
Money Market Sweep Vehicles  
Corporate Notes  
Certificates of Deposit



Maturity Parameters

Maximum allowable maturity for any individual issue: 2 Years

Maximum average maturity for portfolio: 1 Year

Diversification

A maximum of 15% of the portfolio will be invested in any single issue

United States Treasury securities will be exempt from this restriction

Credit Quality

Minimum short-term rating: A1/P1

Minimum long-term rating: A or better

now, therefore, be it:

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums upon the recommendation of its Investment Committee, The Fine Arts Museums Foundation, does hereby adopt the Investment Guidelines stated above.

**X. Public Comment**

Members of the public may address the Board of Trustees on items not on the agenda that are within the subject matter jurisdiction of the Corporation of The Fine Arts Museums. Speakers may address the Board for up to three minutes; the President or the Board of Trustees may limit the total comment to thirty minutes.

**XI. Adjournment – Diane B. Wilsey, President**

**Action**



Public Meeting Requirements Relating to Accessibility

The subsequent information is in compliance with the Americans with Disabilities Act (ADA); the following will be made available upon request: (1) American sign language interpreters; (2) a sound enhancement system; (3) a meeting agenda available in alternative formats; and (4) a reader during the meeting. To arrange for these services, please contact Judy Gough at (415) 750-3669 at least two working days prior to a meeting. A late request will be honored if possible. Minutes of the meeting will be made in alternative formats upon request. Meeting agendas are available on the Fine Arts Museums of San Francisco website, [www.thinker.org](http://www.thinker.org).

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, those attending public meetings are reminded that others may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

The MUNT's wheelchair-accessible No. 18 line stops in front of the Legion. For access to the Legion from downtown, take MUNT's wheelchair-accessible No. 38 Geary line to 33rd and Clement and connect with the No. 18 line. For more information about MUNT's accessible services, call (415) 923-6142.

There are accessible parking spaces (disabled-designated) available in front of the Legion. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. For Telecommunication Device for the Deaf (TDD), the Museums use the California Relay Service.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the President may order the removal from the meeting of any person(s) responsible for the ringing or use of cell phones, pagers, or other similar sound-producing electronic devices.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force:

Donna Hall, Administrator  
Sunshine Ordinance Task Force  
City Hall, Room 409  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4683  
Office: (415) 554-7724  
Fax: (415) 554-7854  
E-mail: [Donna\\_Hall@ci.sf.ca.us](mailto:Donna_Hall@ci.sf.ca.us)

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at [www.ci.sf.ca.us/bdsupvrs/sunshine](http://www.ci.sf.ca.us/bdsupvrs/sunshine).

If you are unable to attend the meeting, you may submit written comments to Judy Gough, Fine Arts Museums of San Francisco, 233 Post Street, 6<sup>th</sup> Floor, San Francisco, CA, 94108. Public documents referred to in the agenda may be inspected at the Administrative Offices of the Fine Arts Museums located at 233 Post Street, 6<sup>th</sup> Floor, San Francisco, CA, 94108. Please contact Judy Gough at (415) 750-3669 to make arrangements.





**COFAM Budget Report For The Month Ended 30 April 2001**

	<u>Page</u>
Budget-In-Brief Narrative	
Cumulative Surplus (Loss) Chart	1
Resources & Expenses Detail	6
Annual Contributions – Appendix A	7
Stores Report – Appendix B	8
Exhibitions – Appendix C	
Balance Sheet	10



## **COFAM Operating Budget-In-Brief**

Month Ended 30 April 2001

### **Overview**

Cumulative ten-month FY 2000-01 results were \$1,045k in the black; the budget expectation was \$830k. This boost is from the *Toulouse Lautrec* show and expense savings.

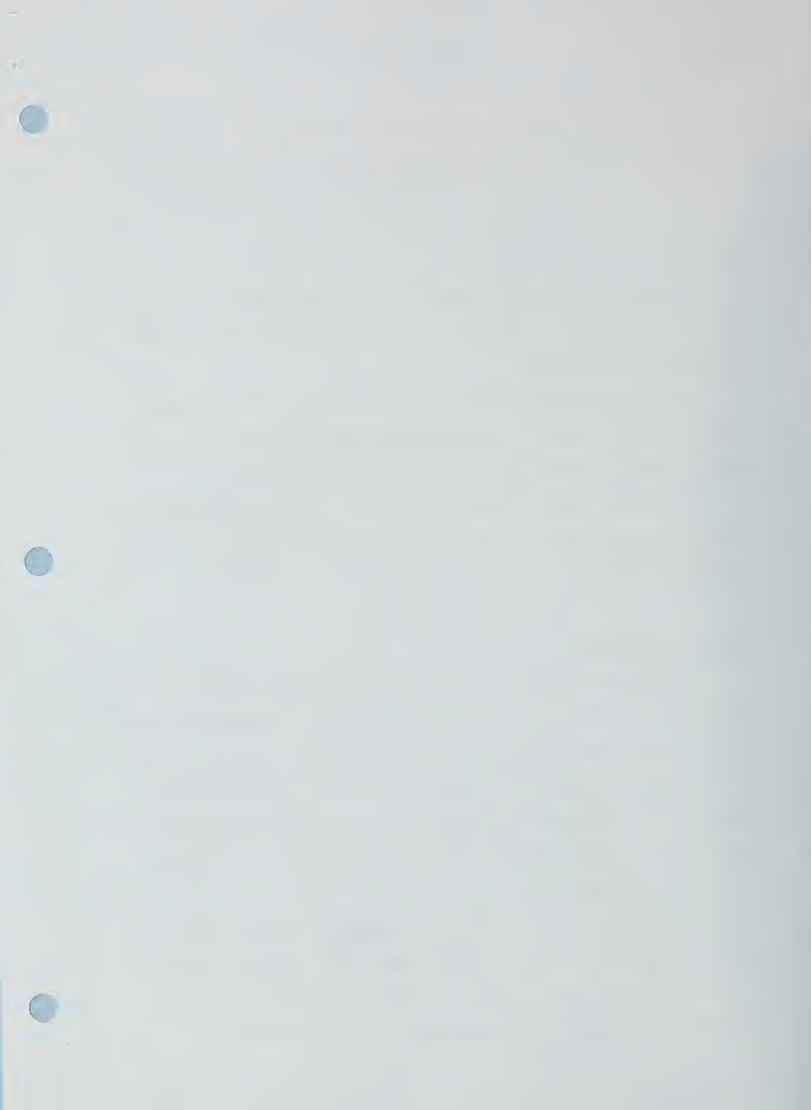
The COFAM Reserve was \$4,189k at the end of April, compared to \$3,542 the month before. The increase is due to operating net gains and the receipt of fourth quarter FAM Foundation endowment support.

This budget report includes a rolling forecast, which shows a modest surplus at year-end, which will cover about half of plant fund expenses (mostly depreciation).

### **Support & Revenue**

At \$5,245 total support was \$81k better than budget. Cumulative Annual Contributions were behind by \$99k; exhibition specified funds were less than budget due to expenses, which will be incurred later than expected. The specified funds General line was up by New de Young Project funds to offset closing event expenses of the old building (\$106k) plus costs of the de Young offsite facilities coming on line. Investment income did better than expected and was up \$102k.

At \$6,166 revenues were \$320k under budget. Store gross profit \$42k was better than budget. Facilities rentals were down \$62k but should turn up by year-end. Fewer ArtPoint events largely explain the \$65k Benefits line underage, which was offset, in part, by lower expenses.



Admission fees were down \$128k, owing to a slow fall at the Legion and free admission during the busy closing week of the deYoung Museum. Also, Ford Free Legion Tuesdays, which began January 2001, reduced admission income with an offset in Ford Foundation grant support. *Toulouse*-generated attendance partially eliminated the admissions slump, but admissions will still be under budget by year-end. Membership income was off budget by \$182k (47k paid memberships). Development trip fees were down \$48k but expenses were off by about the same amount. Overall, the trip program is in the black. Publications sales were \$105k above budget thanks to strong *Thiebaud* catalogue sales during the exhibition's tour.

### Expenses

At \$5,949k personnel costs trailed budget by \$303k – the result of not filling vacant positions and deferring specified funds projects.

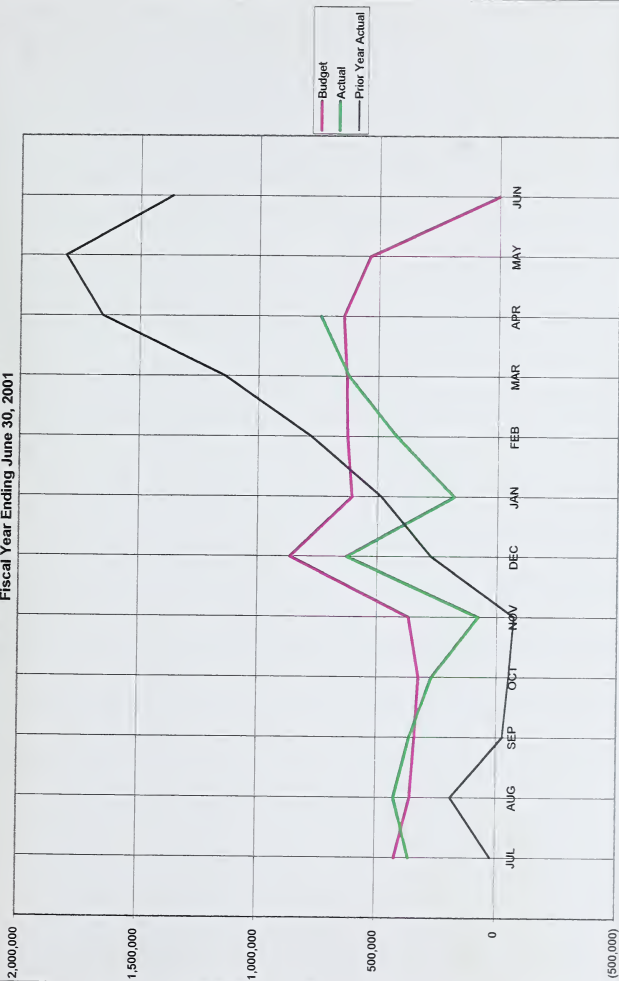
At \$4,660 other expenses were \$94k under budget. Variances to budget result mostly from timing issues at this point. By the 6/30/01 end of the fiscal year, the original other expense budgets should be needed.

Administration General is the exception and will run \$162k higher what with the cost of old de Young Museum closing events and bringing offsite facilities on line – both of which are covered by New de Young Project funds.

# # #



COFAM CUMULATIVE SURPLUS (LOSS) CHART  
Fiscal Year Ending June 30, 2001







\$ in thousands

	(1)		(2)		(3)		(4)					
	April Original Budget	Actual	Variance to M-T-D Budget	10-Months Original Budget	Actual	Variance to Y-T-D Budget			Original Budget	Rolling Forecast 4/13/01	Variance to Original Budget	% Actual To Budget
<b>SUPPORT &amp; REVENUE</b>												
Support												See page 6.
1) Annual Contributions	286	102	(184)	1,991	1,892	(99)	2,805	2,805	-	71%	1,845	
2) Foundation Endowment Support	178	178	0	1,758	1,758	0	2,109	2,109	-	83%	1,365	
3) Specified Funds												
--Curatorial/Conservation	31	29	(2)	315	354	39	403	489	86	89%	304	
--Publications	0	0	0	50	55	5	50	55	5	109%	111	
--Exhibitions	10	0	(10)	329	176	(153)	349	228	(121)	50%	259	
--Education Programs	38	20	(18)	238	236	(2)	360	370	20	68%	281	
--General	36	94	58	300	487	188	340	547	207	143%	79	
Subtotal Specified Funds	115	143	28	1,230	1,308	78	1,492	1,859	187	88%	1,031	
4) COFAM Investment Income	15	23	8	185	287	102	220	300	80	131%	159	
Subtotal Support	592	443	(149)	5,164	5,245	81	6,486	6,733	247	61%	4,397	



\$ In thousands

	(1)		(2)		(3)		(4)	
	April Original Budget	Actual	Variance to M-T-D Budget	10-Months Original Budget	Actual	Variance to Y-T-D Budget	Rolling Percent 4/1/01	Actual Prior Period 4/1/01 10 Months
<b>Revenue</b>								
5) Museum Store Sales	185	281	86	1,751	1,991	239	2,250	2,384
Less: Museum Store Expenses	(7)	(7)	(6)	(77)	(171)	(95)	(200)	(101)
Less Cost of Goods	(66)	(138)	(40)	(615)	(1,025)	(110)	(1,125)	(1,218)
Less Commissions and Royalties	(1)	0	1	(8)	0	8	(1)	0
Gross Profit	80	134	54	752	784	42	824	1,074
8) Facilities Rental Gross	56	51	(5)	566	524	(62)	617	600
7) Benefits Gross Income / Art Point	0	17	17	213	148	(65)	213	150
8) General Admissions COFAM Net	107	192	85	1,313	1,185	(128)	1,547	1,397
9) Food & Beverage Concession Fees	9	14	5	111	149	38	124	150
10) Exhibition Program Earned Income	59	23	(36)	268	298	28	342	390
11) Membership Dues	275	256	(19)	2,482	2,301	(182)	2,808	2,700
12) Conservation Services	50	13	(37)	333	282	(71)	435	435
13) Miscellaneous	30	32	2	170	122	(48)	240	240
-Development Trip Fees	7	34	27	70	125	55	88	150
-Publication Sales Net	20	10	(1)	107	209	23	236	236
-Other Fees								
Subtotal Revenue	692	787	95	6,460	6,168	(320)	7,624	7,372
Total Support & Revenue	1,284	1,230	(54)	11,650	11,411	(239)	14,110	14,105

## Museum Attendance:

Legion - April 2001: 57,892 visitors, 45.8% paid; budgeted - 30,000 visitors, 45% paid

Year to Date: 458,000 visitors, 29.3% paid; budgeted - 260,530 visitors, 45% paid

Legion: 306,510 visitors, 45.7% paid; budgeted - 280,269 visitors, 45% paid.

## Membership:

Year to date: 34,195 dues paid members averaging \$87.28 per member

compared to budgeted goals of 38,448 dues paid members averaging \$84.57 per member

Current active paying members = 47,038

See page 7.

See pages 8 and 9.



\$ In thousands

	(1)			(2)		(3)		Rolling Forecast 4/13/01	Variance to Original Budget	% Actual To Budget	(4) Actual Prior Year At 10 Months
	April Original Budget	Actual	Variance to M-T-D Budget	10-Months Original Budget	Actual	Variance to Y-T-D Budget	Original Budget				
<b>EXPENSES</b>											
<b>Personnel Expenses</b>											
14) Curatorial	184	180	(4)	2,054	2,025	(29)	2,554	2,554	-	79%	1,956
Curatorial/Conservation/Education											
Project Funded Employees	48	13	(36)	532	448	(84)	645	645	-	69%	455
Exhibit Group	71	65	(6)	755	671	(84)	917	917	-	73%	640
Exhibit Program Temporary Labor	29	25	(5)	137	150	13	185	185	-	61%	210
15) Development											
Development - General	45	47	2	476	457	(21)	560	560	-	77%	436
Membership	33	35	2	350	348	(2)	434	434	-	80%	307
16) Administration											
Administration General	98	87	(11)	1,041	987	(74)	1,278	1,278	-	76%	865
Operations Group	25	23	(2)	261	248	(13)	320	320	-	78%	240
17) Marketing											
Media Relations & Advertising	22	22	(0)	236	234	(2)	290	290	-	81%	188
Stores	48	40	(7)	342	313	(30)	437	437	-	72%	333
Facilities Rental	6	11	4	65	88	23	61	61	-	109%	73
Subtotal Personnel	621	558	(64)	6,252	5,849	(403)	7,732	7,732	0	77%	5,625



\$ In thousands

	(1)			(2)			(3)			(4)	
	April Original Budget	Actual	Variance to M-T-D Budget	10 Months Original Budget	Actual	Variance to Y-T-D Budget	Original Budget	Rolling Forecast 4/1/01	Variance to Original Budget	% Actual To Budget	Actual Prior Year At 10 Months
Other Expenses											
16) Curatorial											
Curatorial/Conservation/Education	51	105	55	485	552	67	608	615	9	91%	483
Publications	0	0	0	50	55	5	50	50	-	108%	111
Exhibit Group	9	9	0	84	87	3	110	110	-	79%	69
Exhibit Program	88	28	(59)	650	592	(68)	662	677	(15)	57%	664
19) Development											
Development - General	123	49	(74)	422	341	(81)	638	638	-	53%	396
Art Point	13	12	(1)	96	44	(52)	110	110	-	40%	44
Benefits	0	1	1	78	89	13	78	78	-	117%	62
Membership	74	31	(43)	369	376	(13)	565	565	-	66%	524
Magazine / Guide	70	13	(57)	342	287	(55)	400	400	-	72%	208
20) Administration											
Administration General	94	107	12	1,015	1,079	64	1,233	1,395	162	88%	912
Operations Group	63	60	(3)	604	605	1	795	795	-	76%	491

Continued...





\$ in thousands

	(1)			(2)			(3)		(4)		
	Original Budget	Actual	Variance to M-T-D Budget	10-Months-Original Budget	Actual	Variance to Y-T-D Budget	Original Budget	Rolling Forecast 4/13/01	Variance to Original Budget	% Actual To Budget	Actual Prior Year At 10 Months
Other Expenses Continued											
21) Marketing											
Media Relations & Advertising	45	71	26	333	349	16	464	464	-	75%	335
Stores	7	6	1	54	80	26	68	68	-	117%	89
Facilities Rental	12	25	13	155	155	(0)	185	185	-	84%	103
Subtotal Other Expenses	65	522	(129)	4,754	4,880	(94)	5,292	6,448	156	74%	4,516
City Partial Reimbursement for Education Program / Administration and Building Operation Expenses	(20)	0	20	(188)	(243)	(56)	(243)	(243)	-	100%	(456)
Total Expenses	1,252	1,079	(173)	10,620	10,568	(454)	13,781	13,937	156	75%	10,343
SUPPORT & REVENUE OVER EXPENSES	32	151	119	830	1,045	215	329	168	(161)	316%	1,530
LESS PLANT FUND EXPENSES	(18)	(31)	(13)	(163)	(302)	(119)	(325)	(325)	-	93%	(270)
THE BOTTOM LINE	13	120	108	647	742	96	4	(157)	(161)	4	1,280



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Appendix B – Stores Report: 9 Months Ended April 30, 2001  
\$ in thousands

In House Merchandising..... Outside Merchandising.....

	(1) deYoung Store		(2) Legion Store		(3) Wholesale & Royalties	
	Budget	Actual	Budget	Actual	Budget	Actual
Sales	456	595	853	836	88	47
Discounts	(27)	(107)	(33)	(35)		
Cost of Goods	(237)	(354)	(320)	(328)	(55)	(33)
Commissions & Royalties	0	0	0	0	(7)	0
Gross Profit	191	134	300	272	26	14
Personnel Expenses	170	91	85	145	29	20
Other Expenses	21	39	18	15	0	1
Total Expenses	191	130	103	160	29	21
Gross Profit Over Expenses	0	4	198	112	(3)	(7)
Variance Actual to Budget		4		(86)		(4)

Exhibition Merchandising.....

	(4) Thiebaud Store		(5) Toulouse/Montmartre Store		(6) Grand Totals	
	Budget	Actual	Budget	Actual	Budget	Actual
Sales	361	361	193	353	1,751	1,991
Discounts	(11)	(15)	(6)	(14)	(77)	(171)
Cost of Goods	(199)	(137)	(106)	(174)	(915)	(1,025)
Commissions	0	0	0	0	(8)	0
Gross Profit	152	209	81	165	752	794
Personnel Expenses	25	28	30	28	343	313
Other Expenses	8	19	7	5	54	80
Total Expenses	33	48	37	33	397	393
Gross Profit Over Expenses	119	161	44	133	355	402
Variance Actual to Budget		41		89		47



In-House Exhibitions Legion of Honor	u	n	(1) Runs	(2) Cost		(3) Gifts and Grants		(4) Income		(5) Net			
				Original	Revised	Original	Revised	Original	Revised	Original	Revised		
1	L	Recent Acquisitions from AGFA (146)	08-Apr-00	06-Aug-00	\$ -						0	0	
2	L	Weyns Thiebaud (144)	10-Jun-00	03-Sep-00	\$ 23,302	15,000	23,302	15,000	Root	76,440	76,559	76,440	76,559
3	L	Logan Book Room (3 rotations) (185)	ongoing	ongoing	\$ 5,000	5,000			170¢ per 80¢ per \$2.00			(5,000)	(5,000)
4	L	Berolzheimer Old Master Prints (116)	09-Sep-00	10-Dec-00	\$ 10,950	10,950					910 brochures	(10,950)	(10,950)
5	L	Anderson Collection of Graphic Arts (146)	07-Oct-00	31-Dec-00	\$ 116,425	90,000						(116,425)	(90,000)
6	L	Triumph of Fortitude (123)	16-Dec-00	01-Dec-00	\$ 7,770	7,770	7,530	7,530	Bennet, Hecksher			(240)	0
7	L	John Cage at Crown Point Press	23-Dec-00	15-Apr-01	\$ 8,450	9,500						(8,450)	(9,500)
8	L	Prints in Bloom	27-Jan-01	06-May-01	\$ 10,450	3,000						(10,450)	(3,000)
9	L	Toulouse Lautrec and the Spirit of Montmartre (115)	10-Mar-01	27-May-01	\$ 184,039	184,039					25,000 Audio	(184,039)	(159,039)
10	L	Bouquets to Art	13-Mar-01	16-Mar-01	\$ -	-						0	0
11	L	Recent Acquisitions of Contemporary Art from AGFA	18-Apr-01	18-Aug-01	\$ 6,950	6,950						(6,950)	(6,950)
12	L	Ed Ruscha	26-May-01	06-Sep-01	\$ 10,450	10,450						(10,450)	(10,450)
13	L	Henry Moore (110)	24-Jun-01	16-Sep-01	\$ 302,530	302,530			50,000 Union Bank	9,555	9,555	(262,975)	(242,975)
		Da Young							Admissions 175 per hr 60¢ per \$2.00				
14	D	Bruce Conner: 2000BC (178)	20-May-00	30-Jul-00	\$ 26,775	15,750	26,775	15,750	Root			0	0
15	D	Leonard Baskin (131)	27-May-00	27-Aug-00	\$ -	-						0	0
16	D	Crown Point rotations	ongoing	31-Dec-00	\$ 500	-						(500)	0
17	D	John Gutmann Collector/Photographer (137)	06-Sep-00	31-Dec-00	\$ 9,800	8,000					334 Brochures	(9,800)	(7,800)
18	D	Textiles from Three Continents (138)	19-Aug-00	31-Dec-00	\$ 25,410	25,410						(25,410)	(25,410)
19	D	The Kingdoms of Edward Hicks (106)	24-Sep-00	31-Dec-00	\$ 144,850	119,292	144,850	119,292	Root			0	0
20	D	Art with Elders	27-Sep-00	08-Oct-00	\$ 2,500	618	2,500	618	Nettes			0	0
												0	Continued...





v n u e	In-House Exhibitions	(1) Runs	(2) Cost		(3) Gifts and Grants		(4) Income		(5) Net	
			Original	Revised	Original	Revised	Original	Revised	Original	Revised
21	Chitra Gopal (134)	23-Sep-00	31-Dec-00	\$ 41,233	80,000	40,000	Root		(1,523)	(20,000)
22	Herzog and de Meuron (126)	ongoing	31-Dec-00	\$ 4,200	5,757	4,200	5,757 day		0	0
23	City Hall (153)	ongoing	30-Jun-00	\$ 5,000	500				(5,000)	(500)
24	Grants and Gifts To Be Raised			\$ 948,874	880,716	100,000	0		100,000	
	Subtotal In-House Exhibits			\$ 948,874	880,716	346,157	254,147	85,995	(513,722)	(511,971)

v n u e	FAM Travelling Exhibitions	(1) Runs	(2) Cost		(3) Gifts and Grants		(4) Income		(5) Net	
			Original	Revised	Original	Revised	Original	Revised	Original	Revised
25	Gaetano Myer to National Geographic (179)	28-Jun-00	14-Aug-00	\$ 10,000	21,326			40,000	30,000	26,872
26	Charles Jones to Chicago (184) to ICP, NY (CANCELLED)	09-Sep-00 01-Mar-00	29-Oct-00 01-May-00	\$ 6,500 -	7,781			6,500 0	0 0	1,519 0
27	Thibaud to Ft. Worth Modern Art Museum (147) to The Phillips to Whitney Museum of American Art	24-Sep-00 10-Feb-01 28-Jun-01	14-Jan-01 29-Mar-01 23-Sep-01	\$ 132,500 -	182,610			185,000 185,000	62,500 12,190	
28	Anderson 2000 to Palm Springs (148)	17-Jan-01	25-Mar-01	\$ 20,000	15,000			15,000	(5,000)	0
29	American Paintings (125)	TBD	TBD	\$ 50,000	45,000			0	(50,000)	(45,000)
30	Airport Exhibitions	TBD	TBD						0	0
31	Leonard Baskin (131)	09-Jan-01	04-Mar-01	\$ 9,265	9,600			6,000	(1,265)	(1,600)
	Subtotal Travelling Tours			\$ 228,265	281,519	0	0	264,500	36,235	(8,219)
	Total In House and Travelling Exhibitions			\$ 1,177,139	1,162,235	346,157	254,147	350,495	(477,487)	(516,190)



\$ in thousands

## ASSETS

Cash	479
Cash Equivalents	42,910
Accounts Receivable	3,591
Prepaid Expenses	822
Note Receivable	250
Inventory - Store	730
Inventory - Publications	492
Investment in Bonds	550
Furniture & Equipment (Net)	282
	<u>50,106</u>

## LIABILITIES &amp; FUND BALANCES

Accounts Payable	1,438
Other Accrued Liabilities	4,266
Deferred Income - Restricted	37,637
Deferred Income - Unrestricted	4,112
Fund Balances	
Unrestricted Fund	3,527
Plant Fund	(2,171)
Revenues over Expenses	1,297
(Note 2)	
	<u>50,106</u>

## COFAM Reserve At 4/30/01

4,189

## Note 1 -- Reserve Formula

Cash & Cash Equivalents	43,389
Bonds	550
Accounts Receivable	3,591
Less Accounts Payable	(1,438)
Less Other Accrued Liabilities	(4,266)
Less Deferred Income - Restricted	(37,637)
	<u>4,189</u>

## Note 2 -- Revenues over Expenses

Operating Revenue over Expenses	1,045
Less Plant Fund	(302)
Plus Restricted Funds	554
Less Airport Fund	0
Surplus / (Deficit)	<u>1,297</u>



\$ in thousands

## ASSETS

Cash	853
Cash Equivalents	40,654
Accounts Receivable	3,549
Prepaid Expenses	789
Note Receivable	250
Inventory - Store	734
Inventory - Publications	524
Investment in Bonds	550
Furniture & Equipment (Net)	301
	<u>48,204</u>

## LIABILITIES &amp; FUND BALANCES

Accounts Payable	1,082
Other Accrued Liabilities	4,329
Deferred Income - Restricted	36,653
Deferred Income - Unrestricted	3,633
Fund Balances	
Unrestricted Fund	3,527
Plant Fund	(2,171)
Revenues over Expenses	1,151
(Note 2)	
	<u>48,204</u>

## COFAM Reserve At 3/31/01

3,542

## Note 1 -- Reserve Formula

Cash & Cash Equivalents	41,507
Bonds	550
Accounts Receivable	3,549
Less Accounts Payable	(1,082)
Less Other Accrued Liabilities	(4,329)
Less Deferred Income - Restricted	(36,653)
	<u>3,542</u>

## Note 2 -- Revenues over Expenses

Operating Revenue over Expenses	893
Less Plant Fund	(271)
Plus Restricted Funds	529
Less Airport Fund	0
Surplus / (Deficit)	<u>1,151</u>



## Summary & Narrative

### COFAM FY 2001-02 Operating Budget Proposal

7 June 2001

#### Summary

- At \$13.4 million, the budget just breaks even.
- The \$52k operating surplus projected will not cover \$350k in plant fund expenses (mostly depreciation).
- A California or national recession would knock down revenues and force budget revisions.
- The paid membership count is taken at 43k next year, compared to the current 47k and the 35k in the worst case 1/29/01 projections. Since the de Young Museum closed on 12/31/00, there has only been slow member erosion. In addition, in marketing trials, the *Eternal Egypt* exhibit (8/10-11/3/02) looks like a strong draw to spur member renewals and attract new members.
- The cost of offsite facilities related to the close of the de Young Museum is covered with New de Young Project funds and a grant from the Transamerica Foundation for the de Young Art Center.





- Revenue from the stores, general admissions, exhibitions, and membership is down mainly because of the new de Young close.
- Personnel costs are just below the current year.
- Other expenses are below the current year with the breakeven fund-raising benefits program and the de Young offsite facilities being the only major increases.

# # #

### **Budget Narrative**

A line-by-line budget narrative follows, explaining the numbers in greater detail.

### **Support -- \$7.2 Million**

**Annual Contributions** have a \$2,700k goal, up \$35k from the current fiscal year. This is an ambitious undertaking because many annual fund contributors are also key donors to the New de Young Museum.

**Foundation Endowment Support** at \$2,203 is up \$94k from the current year. The 5% distribution rate is the same. However, this rate is now applied to a 36-month trailing average value at March 31<sup>st</sup> instead of 24-months.

**Specified Funds** at \$2,039 include known restricted grants and donations, except for a traditional \$100k plug for anticipated exhibition grants. Some \$561k



covers the cost of operating offsite facilities related to the close of the de Young Museum. Of this amount, \$361k is from New de Young Project funds and \$200k is from the Transamerica Foundation grant for the de Young Art Center.

**COFAM Investment Income** at \$275k is up \$55k. Funds are invested in short-term, high-grade commercial paper, augmented by interest from gifts of bonds, which by their terms cannot be sold at this time.

### **Revenue -- \$6.2 Million**

Overall, revenues are down \$1,401k from the current year budget primarily due to closing the de Young Museum on 12/31/00 for re-building.

The visitor forecast drives general admission revenue, exhibition income, store sales, and café concession fees. Next year we are relying solely on the Legion to generate revenue.

Attendance projections are based on recent visitor patters and anticipated exhibition popularity. This exercise is a judgment call and is subject to revision as warranted.

Major Legion exhibitions include *Henry Moore: Sculpting the 20<sup>th</sup> Century* (6/23-9/16/01), *Dreaming with Open Eyes: Dada and Surrealist Art* (2/2-4,28/02), and *Michael Sweerts* (6/8-8/25/02). While these are quality exhibitions, none is expected to draw huge crowds.



In FY 2001-02, Legion attendance is projected to be 345k visitors. Without a runaway exhibition, Legion annual attendance has been about 350k to 400k in the last five years. About 44% of Legion visitors are paid. Admission fees are \$8 for adults, \$6 seniors, \$5 youths, and children under age 12 are free, as are members, San Francisco K-12 students and educational groups. Ford Free Tuesdays are budgeted through 12/31/01, and the likelihood is that this grant will be renewed for another year. These Tuesdays are becoming popular very quickly, but it is not clear if they are attracting new visitors to the Legion or pulling visitors who would normally come Wednesday through Sunday.

**General Admissions** revenue is pegged at \$940k down \$607 from the current year what with the closing of the de Young. Forecast attendance of 345k visitors drives **Store Gross Profits** at \$519k with a net of \$100k. The Legion main store will be augmented with a catalogue stand for the *Moore* exhibition, and the *Dada / Surrealism* show will have a special store. **Food and Beverage Concession Fees** are forecast at \$125k, the same as current.

**Facility Rental Gross Income** at \$604 is about the same as current. Corporate museum rentals are projected to gross \$444k, and Legion Café wedding and Gould Theater rentals are at \$160k.



**Benefits Gross Income / ArtPoint** events are planned to breakeven.

Benefits include an expanded December 2001 dinner dance at the Legion and the New de Young groundbreaking in 2002.

**Exhibition Program Earned Income** at \$232k is based on a \$2 surcharge for the *Moore* show, audio tour fees, and FAM-organized traveling show fees. This line is down \$110k due to the draw expected from the Legion's exhibition schedule.

**Membership Dues** income at \$2,748 is based on 43k members. The current paid count is 47k members. The 1/29/01 long-range projections carried a worst case number of 35k members, matching the low point in the early 1990s of the last California recession. The 43k members forecast for FY 2001-02 is thought to be attainable because there has only been slow member erosion since the de Young Museum closed on 12/31/00. Also, in marketing trials, the *Eternal Egypt* exhibition in summer-fall 2002 is likely to spur renewals and attract new members in the year ahead. Nonetheless, if memberships begin to fall off rapidly, the situation will have to be examined with an eye to revising the budget.

**Conservation Service Fees** are paid by outside lab clients. Lab expenses are offset by fee income, and the Museums gain some extra conservator time and expertise for the permanent collections and traveling exhibitions. **Development Trip Fees** and expenses are budgeted to break even. The **Publications Sales Net**





is income from the sale of the Museums' own publications, particularly exhibition catalogues for FAM-organized shows, which boosted income in past years. **Other Fees** run the gamut from docent lecture fees to photo reproduction use rights.

### **Total Expenses & City Reimbursement**

Total expenses are \$13,632k with \$7,633 in personnel costs and \$5,999 in other expenses. The \$243k in City reimbursement of COFAM-paid educational program, operational and administrative expenses lowers total costs to \$13,389.

### **Personnel Expenses--\$7.6 Million**

In FY 2001-02, the Museums will have a combined COFAM / City ongoing workforce of 155 positions – 90 are on COFAM's payroll, and 65 are on the City's. The City-paid workforce is down 16.5 positions of which 14 are transfers to the Asian Art Museum (13-guards, 1-building engineer) plus deletions of 2.5 vacant positions.

At \$7,633k COFAM personnel costs are slightly lower than the current year budget. Union wages are up 2% on July 1<sup>st</sup> and 3% on January 1<sup>st</sup> for an annualized rate of 3.53%. Professional and management employees have a 4% merit pool. Benefit costs are close to 28% of gross salaries. The personnel budget assumes salary savings of \$100k from attrition, voluntary reduction of hours, and



short-term turnaround vacancies. This is half the attrition rate in the current year for positions, which are not paid for with specified funds. Two positions have been moved from the Curatorial Project Funded line – one to the Curatorial / Conservation / Education line and the other to the Exhibit Group line. Store personnel costs are lower because there is only one special exhibit store next year.

### **Other Expenses -- \$6 Million**

Other expenses total \$5,999 – about \$300k below the current year budget. Most other expense lines are down somewhat. There are two exceptions to this rule. Benefits costs are up but are budgeted against income to break even. Offsite facilities such as the new de Young Art Center and the de Young Offsite are picked up for the first time for an entire year. The Art Center's costs are covered by a generous grant from the Transamerica Foundation; the de Young Offsite's costs are covered with New de Young Project Funds transferred into the operating budget.

A detailed rundown of other expenses is included in budget Appendix I.

# # #



**COFAM FY 2001-02 Final Operating Budget Proposal**

7 June 2001

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# COFAM FISCAL YEAR 2001 - 02 OPERATING BUDGET PROPOSAL

\$ in thousands

## SUPPORT & REVENUE

### Support

	(1) FY 99-00 Actual	(2) FY 00-01 Original Budget	(3) FY 00-01 Rolling Forecast	(4) FY 01-02 Proposed Budget 5/29/01	(5) Variance Proposed Budget to FY00-01 Original Budget	Notes
1) Annual Contributions	2,485	2,665	2,665	2,700	35	See Appendix A page 6.
2) Foundation Endowment Support	1,670	2,109	2,109	2,203	94	5% market value on 3-year rolling average from 2-years
3) Specified Funds	390	403	459	391	(12)	See Appendix B page 7.
-Curatorial/Conservation	0	50	55	50	-	
-Publications	487	349	228	499	150	See Appendix C page 8
-Exhibitions	405	350	370	321	(29)	
-Education Programs	-	121	-	561	440	
-Offsite Facilities	107	219	547	217	(2)	Up by Ford Free Tuesdays.
-General						
Subtotal Specified Funds	1,390	1,492	1,659	2,039	547	
4) COFAM Investment Income	244	220	300	275	55	
Subtotal Support	5,789	6,486	6,733	7,217	731	





# COFAM FISCAL YEAR 2001 - 02 OPERATING BUDGET PROPOSAL

\$ in thousands

## Revenue

	(1) FY 99-00 Actual	(2) FY 00-01 Original Budget	(3) FY 00-01 Rolling Forecast	(4) FY 01-02 Proposed Budget 5/29/01	(5) Variance Proposed Budget to FY00-01 Original Budget	Notes
5) Museum Store Sales	2,862	2,037	2,250	1,234	(803)	See Appendix D page 9.
Less Discounts	(121)	(88)	(200)	(51)	37	
Less Cost of Goods	(1,504)	(1,064)	(1,125)	(659)	405	
Less Commissions and Royalties	(1)	(9)	(1)	(5)	4	
Gross Profit	1,236	876	924	519	(357)	
6) Facilities Rental Gross	600	617	600	604	(14)	Corporate Evenings \$444K, Legion Cafe/Theater \$160K
7) Benefits Gross Income / AtPoint	153	213	150	190	(23)	Christmas Gala / AtPoint events/ New deYoung Groundbreaking.
8) General Admissions COFAM Net	2,206	1,547	1,397	940	(607)	See Appendix E page 10. Lower Paid Sales and Ford Free Tuesdays.
9) Food & Beverage Concession Fees	190	124	150	125	1	See Appendix F page 11.
10) Exhibition Program Earned Income	425	342	390	232	(110)	See Appendix C page 8.
11) FAM Membership Dues	3,052	2,906	2,700	2,748	(158)	See Appendix G page 12. To 43K paid members from 47K currently.
12) Conservation Services	418	435	418	370	(65)	
13) Miscellaneous	175	240	175	250	10	
--Development Trip Fees	100	88	150	32	(56)	
--Publication Sales Net	264	236	264	214	(22)	
--Other Fees						See Appendix H page 13.
Subtotal Revenue	8,819	7,624	7,318	6,224	(1,401)	
Total Support & Revenue	14,608	14,110	14,051	13,441	(670)	



# COFAM FISCAL YEAR 2001 - 02 OPERATING BUDGET PROPOSAL

\$ in thousands

## EXPENSES

### Personnel Expenses

	(1) FY 99-00 Actual	(2) FY 00-01 Original Budget	(3) FY 00-01 Rolling Forecast	(4) FY 01-02 Proposed Budget 5/29/01	(5) Variance Proposed Budget to FY00-01 Original Budget	Notes
14) Curatorial						Professional/Managerial increase at 4% merit pool.
Curatorial/Conservation/Education	2,467	2,554	2,524	2,562	8	Four professional positions to reduced hours.
Project Funded/Term Employees	562	645	598	532	(113)	Union wage increases: 2% at 7/1/01; 3% at 1/1/02 = 3.53% annualized.
Exhibit Group	818	917	832	1,001	84	Benefits = 28% of salaries.
Exhibit Program Temporary Labor	264	185	185	87	(98)	
15) Development						
Development - General	574	590	565	620	30	FY 00-01 FY 01-02 Change
Memberships	382	434	429	462	28	COFAM operating positions 90 90 0.0
16) Administration						City positions 81.5 65 16.5
Administration General	1,264	1,279	1,206	1,309	30	Total positions 171.5 155.0 16.5
Operations Group	294	320	308	329	9	
17) Marketing						
Media Relations & Advertising	242	290	290	307	17	
Stores	419	437	417	329	(108)	
Facilities Rental	95	81	95	95	14	
Subtotal Personnel	7,381	7,732	7,449	7,633	(99)	



\$ in thousands

**Other Expenses**

## 18) Curatorial

## Curatorial/Conservation/Education

Publications

Exhibit Group

Exhibit Program

## 19) Development

## Development - General

Art Point

Benefits

Membership

Magazine / Guide

## 20) Administration

## Administration General

Operations Group

Offsites

	(1)	(2)	(3)	(4)	(5)
	FY 99-00 Actual	FY 00-01 Original Budget	FY 00-01 Rolling Forecast	FY 01-02 Proposed Budget 5/29/01	Variance Proposed Budget to FY00-01 Original Budget
	704	606	713	515	(91)
	0	50	-	50	-
	110	110	126	109	(1)
	941	992	941	898	(94)
	674	638	674	598	(40)
	65	110	65	94	(16)
	62	76	62	190	114
	614	565	614	546	(19)
	355	400	355	317	(83)
	1,189	1,233	1,352	1,090	(143)
	305	449	289	172	(277)
	330	346	346	752	406

Notes  
See Appendix I pages 14 through 20 for details

\$100K Proposition "G" donation in FY 00/01.

Continued



# COFAM FISCAL YEAR 2001 - 02 OPERATING BUDGET PROPOSAL

\$ in thousands

Other Expenses Continued

21) Marketing

Media Relations & Advertising

Stores

Facilities Rental

Subtotal Other Expenses

22) City Partial Reimbursement for Education Program /  
Administration and Building Operation Expenses

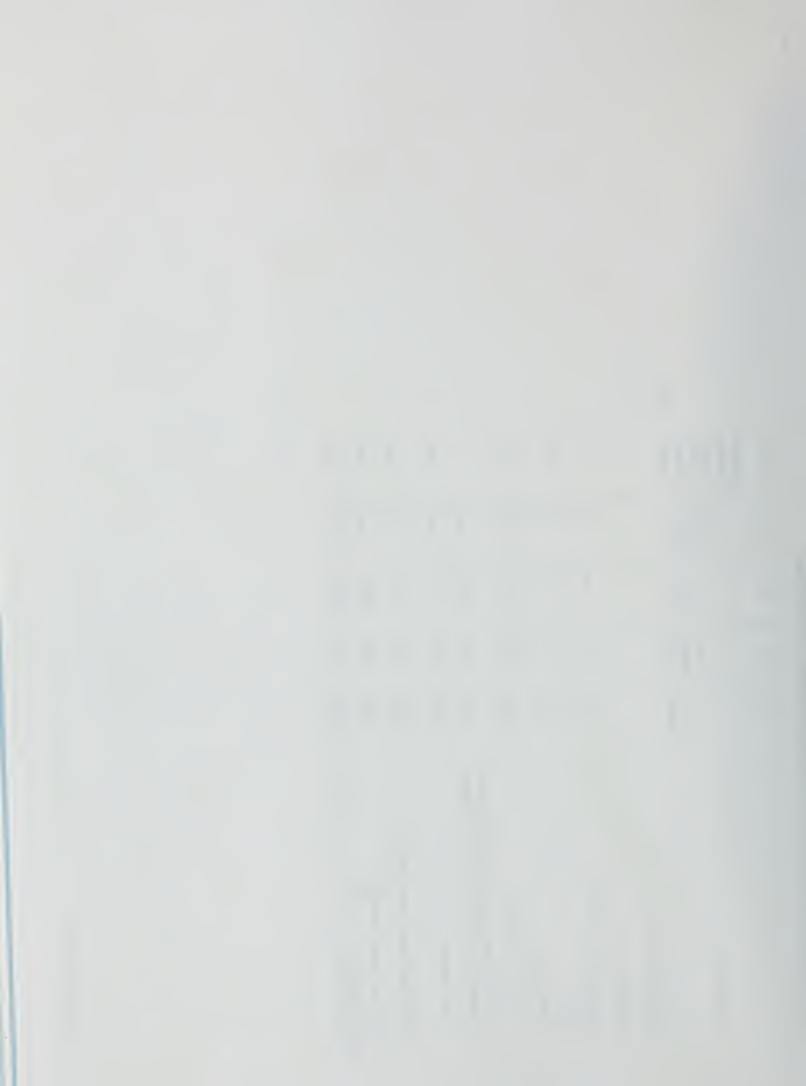
Total Expenses

SUPPORT & REVENUE OVER EXPENSES

LESS PLANT FUND EXPENSE

THE BOTTOM LINE

(1)	(2)	(3)	(4)	(5)	Notes
FY 99-00 Actual	FY 00-01 Original Budget	FY 00-01 Rolling Forecast	FY 01-02 Proposed Budget 5/29/01	Variance Proposed Budget to FY00-01 Original Budget	
452	464	452	456	(8)	
151	68	151	48	(20)	
151	185	151	164	(21)	
6,103	6,292	6,291	5,959	(293)	
(596)	(243)	(243)	(243)	-	
12,888	13,781	13,497	13,389	(392)	
1,720	329	554	52	(278)	
(356)	(325)	(356)	(350)	(25)	
1,364	4	198	(269)	(303)	





\$ in thousands

Contribution Categories	(1) FY 91-92 Actuals	(2) FY 92-93 Actuals	(3) FY 93-94 Actuals	(4) FY 94-95 Actuals	(5) FY 95-96 Actuals	(6) FY 96-97 Actuals	(7) FY 97-98 Actuals	(8) FY 98-99 Actuals	(9) FY 99-00 Actuals	(10) FY 00-01 Budget	(11) FY 01-02 Proposed
1) Associates (\$5,000 and up)	888	968	928	1,002	1,066	1,416	2,059	1,599	1,642	1,600	1,600
2) Patrons (\$2,500 - \$5,000)	0	0	0	0	25	68	100	129	158	175	175
3) Friends (\$1,000 - \$2,500)	165	162	166	212	360	394	399	456	424	480	480
4) National Council/Other	85	7	10	18	49	61	62	61	56	60	50
5) Mail Drive	181	163	170	109	182	114	146	143	4	50	100
6) Phone Campaign	190	140	92	120	11	77	10	96	7	50	0
7) Business	108	127	64	71	98	117	132	122	107	150	130
8) Foundations	64	54	59	91	88	79	134	88	86	100	165
	1,681	1,621	1,489	1,623	1,879	2,326	3,042	2,694	2,484	2,665	2,700



## APPENDIX "B" SPECIFIED FUND REVENUE - FISCAL YEAR 2001-02

DESCRIPTION	PROJECT #	BUDGET	SOURCE
<b>CURATORIAL</b>			
AMERICAN ART PERSONNEL COSTS		259,708	ROOT
CONSERVATION PERSONNEL (25% FTG/SUBJECTS)		54,146	ROOT
AMERICAN ART NON-AAA MICROFILM AND BOOKS	750	2,000	PERRYBARCLEY
LIBRARY		1,985	LIBRARY FUND (FAMF)
CONSERVATION SUPPORT		3,000	LIBRARY FUND (FAMF)
CARE AND PORTFOLIO STORAGE	825	10,000	McNEIL
18TH-CENTURY DRESS CONSERVATION	721	25,000	McNEIL
TAC CONSERVATION INTERN	742	3,000	TAC
<b>TOTAL CURATORIAL</b>		<b>391,017</b>	
<b>PUBLICATIONS</b>			
LOGAN BOOKS CATALOG	721	50,000	MELLON
<b>TOTAL PUBLICATIONS</b>		<b>50,000</b>	
<b>EXHIBITIONS</b>			
DREAMING WITH OPEN EYES: DADA, SURREALISM	107	263,603	GOLDSMITH FUND
HERODIAN TEMPLE MOUNT		90,000	ISRAELI ANTIQUITIES ASSOC.
AMERICAN ACCENTS		75,000	ROOT FUND
GRANTS AND GIFTS TO BE RAISED		100,000	
<b>TOTAL EXHIBITIONS</b>		<b>498,603</b>	
<b>EDUCATION PROGRAMS</b>			
EDUCATION PROGRAM - GENERAL		115,000	CAC
SCHOOL PROGRAM - GENERAL		36,500	HEARST - \$21.5K, MCMICKING - \$15K
POET IN THE GALLERIES	734	24,000	CAC, \$5K, HARRISON - \$10K, HEARST - \$3K
MUSEUM AMBASSADORS		6,000	HEARST - \$10K, CUSCO - \$10K, LURIE - \$20K
BRADLEY ORGAN CONCERTS	701	1,000	CAC - \$1,500
LEGION YOUTH CONCERTS		32,300	BRADLEY FUND
YOUTH ARTS FESTIVAL	757	6,000	FAMF FUND
<b>TOTAL EDUCATION</b>		<b>321,300</b>	CHEVRON
<b>OFF-SITE FACILITIES</b>			
ROBERT AVENUE WAREHOUSE		54,000	NEW DE YOUNG
EDUCATION OFFSITE		307,000	NEW DE YOUNG
2501 IRVING EDUCATION CENTER		200,000	TRANSAMERICA - 200K
<b>TOTAL OFFSITE</b>		<b>561,000</b>	
<b>GENERAL</b>			
LEGION FREE TUESDAYS		100,000	FORD FOUNDATION
LEGION FREE TUESDAYS MARKETING		75,000	BRADLEY FUND
GENERAL OPERATING		42,186	INSTITUTE OF MUSEUM AND LIBRARY SCIENCES
<b>TOTAL GENERAL</b>		<b>217,186</b>	
<b>GRAND TOTAL</b>		<b>2,039,108</b>	



v e n u e	(1) Runs	(2) Cost		(3) Gifts and Grants		(4) Income		(5) Net	
		Original	Revised	Original	Revised	Original	Revised	Original	Revised
Legion Exhibitions									
1	Henry Moore: Sculpting the 21st Century	L 23-Jun-01	16-Sep-01	\$ 80,640			106,455	25,815	0
2	Logan Book Gallery (3 rotations)	L ongoing		\$ 6,800			Admissions @ 175 per hr \$2.00 \$15 Audio Tour net	(6,800)	0
3	Marks of Creativity: Recent Acq. Of Cal. Drawings (AGFA)	L 25-Oct-01	10-Feb-02	\$ 6,200				(6,200)	0
4	The Artist Book in the Modern Age: The Revis and David Logan Collection	L 06-Oct-01	06-Jan-02	\$ 93,240				(93,240)	0
5	Triumph of Fortitude (textile rotation)	L 06-Oct-01	06-Jan-02	\$ 5,570				(5,570)	0
6	Richard Diebenkorn: Clubs and Spades	L 19-Jan-02	14-Apr-02	\$ 10,950				(10,950)	0
7	New Acquisitions from the Marcia and John Friedle Coll	L 26-Jan-02	30-Jun-02	\$ 46,700				(46,700)	0
8	Dreaming with Open Eyes: Dada and Surrealism from the Arturo Schwarz Collection	L 02-Feb-02	28-Apr-02	\$ 263,918		\$ 263,918 Goldsmith Fund	15,000 Audio Tour	15,000	0
9	Recent Acquisitions of Contemporary Art	L 20-Apr-02	11-Aug-02	\$ 6,350				(6,350)	0
10	Herodian Temple Mount	L 18-May-02	06-Jul-02	\$ 71,033		60,000 Israeli Antiquities Assn.		(11,033)	0
11	Hard Edge	L 25-May-02	07-Jul-02	\$ 10,650				(10,650)	0
12	Michel Sweets	L 08-Jun-02	25-Aug-02	\$ 212,804				(212,804)	0
Subtotal In-House Exhibits				\$ 814,855		121,455		100,000	0
						423,918		(269,462)	0
FAM Travelling Exhibitions									
10	Thebaud to Whitney	28-Jun-01	23-Sep-01	\$ 75,000			85,000	10,000	0
11	Anderson 2000 to Albuquerque	07-Oct-01	06-Jan-02	\$ 20,450			20,450	0	0
12	American Accents	TBD	TBD	\$ 75,000		75,000 Root	0	0	0
13	Airport Exhibitions	TBD	TBD				5,000	5,000	0
Subtotal Travelling Tours				\$ 170,450	0	75,000	0	110,450	0
								15,000	0
Total In House and Travelling Exhibitions				\$ 985,305	0	498,918	0	231,805	(254,482)
Temporary Exhibition Personnel Costs =				87,474					
Other Expense				697,631					
				985,305					



APPENDIX D - STORES REVENUE PROJECTIONS: - FY 2001-02

1 DE-YOUNG STORE		CLOSED	
2 LEIGION STORE		DOLLARS PER HEAD BASED ON 7/00-3/01 ACTUALS	
		345.000	\$2.27
LEIGION VISITORS PROJECTION		783.150	
LEIGION SALES		(39.158)	DISCOUNTS @ 5%
		(407.238)	COGS @ 62%
NET PROFIT ON SALES		336.755	
3 MERCHANTISING SALES			
BASE ON CURRENT ACTUALS			
WHOLESALE		60.000	COGS @ 63%
		(37.800)	COMMISSIONS @ 9%
		(5.400)	
NET PROFIT ON SALES		16.800	
ROYALTIES		1.000	
SELECTED EXHIBITION GROSS STORE SALES PER VISITOR			
GREAT DUTCH PAINTINGS 2/91 - 5/91		1.73	
ARMS AND ARMOR 2/92 - 5/92		2.49	
TECHNACAN 5/93 - 10/93		2.27	
DEAD SEA SCROLLS 2/94 - 6/94		6.35	
MONNET AT GIVERNY 3/95 - 6/95		8.06	
FABERGE 5/96 - 7/96		1.69	
BEAT CULTURE 10/96 - 12/96		3.75	
LARCO - PERU 5/97 - 8/97		1.65	
UTRECHT 9/97 - 11/97		3.51	
HARLEM 1/98 - 3/98		3.61	
PICASSO 11/98 - 1/99		5.92	
IMPRESSIONISTS IN WINTER 1 - 5/99		5.19	
O'KEEFE 2 - 5/00		5.44	
THEBAUD 6/00 - 9/00			
4 MOORE CATALOG STAND			
DOLLARS PER HEAD		\$1.25	
MOORE VISITORS ACTUAL		76.213	
MOORE SALES		95.266	
DISCOUNTS @ 3%		(2.858)	
COGS @ 56%		(52.396)	
NET PROFIT ON SALES		40.012	
5 SURREALIST AND DADAIST STORE			
DOLLARS PER HEAD		\$3.50	
SURREALIST & DADAIST VISITORS PROJECTION		84.175	
S & D SALES		294.613	
DISCOUNTS @ 3%		(8.838)	
COGS @ 55%		(162.037)	
NET PROFIT ON SALES		123.737	
6 TOTAL STORE SALES			
SALES		1,234.029	
DISCOUNTS @ 5%		(50.854)	
COGS @ 53%		(659.471)	
COMMISSIONS & ROYALTIES		(5.400)	
TOTAL NET PROFIT ON SALES		518.304	
PERSONNEL COSTS		375.000	
OTHER EXPENSES		43.350	
TOTAL EXPENSES		418.350	
NET PROFIT FROM OPERATIONS		99.954	





# APPENDIX E - ADMISSIONS REVENUE WORKSHEET - FY 01-02

Page 10

## ADMISSION FEES

## Per Visitor Revenue Assumptions

Admission Fee	Lection	deYoung/ Asian
Adult	\$6	
Senior	6	
Junior	5	
Annual Student Pass	10	
Children under 12	Free	

Legion revenue based on \$1.43 per visitor during the period 7/00 - 4/01.

	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	TOTALS
DEYOUNG VISITORS ATTRACTIONS	CLOSED												
LEGION VISITORS ATTRACTIONS	45,000 Moore	45,000 Moore	30,000 Moore (50%)	20,000	20,000	25,000	20,000	30,000 Surrealism	35,000 Surrealism Boquete	30,000 Surrealism	20,000	25,000 Sweets	345,000
LEGION ADMISSIONS REVENUE LESS LEGION ADMISSIONS EXPENSE	\$154,350 (14,000)	\$154,350 (14,000)	\$102,900 (14,000)	\$69,600 (14,000)	\$69,600 (14,000)	\$85,750 (14,000)	\$69,600 (14,000)	\$102,900 (14,000)	\$120,050 (14,000)	\$102,900 (14,000)	\$69,600 (14,000)	\$85,750 (14,000)	\$ 1,183,350 (168,000)
LEGION ADMISSIONS NET	140,350	140,350	88,900	54,600	54,600	71,750	54,600	88,900	106,050	88,900	54,600	71,750	1,015,350
									Six Months Loss of Free Ford Tuesday Admissions Revenue				(75,000)
													940,350

## Recent Attendance

Lection	deYoung/Asian	Totals
FY 03-04 Actual	606,596	606,596
FY 04-05 Actual	892,138	892,138
FY 05-06 Actual	491,208	897,698
FY 06-07 Actual	570,000	923,350
FY 07-08 Actual	314,943	672,096
FY 08-09 Actual	333,735	749,161
FY 09-00 Actual	627,025	897,698
FY 00-01 Projected	200,000	692,000

## Exhibition Assumptions

Henry Moore  
Dadaism & Surrealism  
Legion 6/24 - 9/16  
Legion 10/6/01 - 1/6/02  
175 visitors / hour = 76,213 attendance with 60% paid  
175 visitors / hour = 84,175 attendance with 60% paid



CAFE SALES PER PERSON BASED ON FY 00-01 AT MARCH 31

DAYOUNG  
LEAGUE

CLOSED

\$191

CAFE CATERING PER MONTH BASED ON FY 99-00

DAYOUNG  
LEAGUE

CLOSED

\$71,300

CONCESSION FEE SCHEDULE FISCAL YEAR 2000-01				
MONTH	CONCESSION FEES @ 6%	TOTAL REVENUE OVER \$5K	CONCESSION FEES @ 10%	TOTAL CONCESSION FEES
JULY	\$3,300	\$102,250	\$10,225	\$13,525
AUGUST	3,300	102,250	10,225	13,525
SEPTEMBER	3,300	73,600	7,360	10,660
OCTOBER	3,300	54,500	5,450	8,750
NOVEMBER	3,300	54,500	5,450	8,750
DECEMBER	3,300	64,050	6,405	9,705
JANUARY	3,300	54,500	5,450	8,750
FEBRUARY	3,300	73,600	7,360	10,660
MARCH	3,300	83,150	8,315	11,615
APRIL	3,300	73,600	7,360	10,660
MAY	3,300	54,500	5,450	8,750
JUNE	3,300	64,050	6,405	9,705
TOTALS	\$39,600	\$854,550	\$86,455	\$125,055

MONTH	DAYOUNG ATTENDANCE	DAYOUNG SALES	DAYOUNG CATERING	TOTAL DAYOUNG	LEAGUE ATTENDANCE	LEAGUE SALES	LEAGUE CATERING	TOTAL LEAGUE
JULY	CLOSED	CLOSED	CLOSED	CLOSED	45,000	\$85,950	\$71,300	\$157,250
AUGUST	CLOSED	CLOSED	CLOSED	CLOSED	45,000	85,950	71,300	157,250
SEPTEMBER	CLOSED	CLOSED	CLOSED	CLOSED	30,000	57,300	71,300	128,600
OCTOBER	CLOSED	CLOSED	CLOSED	CLOSED	20,000	38,200	71,300	109,500
NOVEMBER	CLOSED	CLOSED	CLOSED	CLOSED	20,000	38,200	71,300	109,500
DECEMBER	CLOSED	CLOSED	CLOSED	CLOSED	25,000	47,750	71,300	119,050
JANUARY	CLOSED	CLOSED	CLOSED	CLOSED	30,000	57,300	71,300	128,600
FEBRUARY	CLOSED	CLOSED	CLOSED	CLOSED	30,000	57,300	71,300	128,600
MARCH	CLOSED	CLOSED	CLOSED	CLOSED	35,000	66,850	71,300	138,150
APRIL	CLOSED	CLOSED	CLOSED	CLOSED	30,000	57,300	71,300	128,600
MAY	CLOSED	CLOSED	CLOSED	CLOSED	20,000	38,200	71,300	109,500
JUNE	CLOSED	CLOSED	CLOSED	CLOSED	25,000	47,750	71,300	119,050
TOTALS	0	\$0	\$0	\$0	\$45,000	\$859,950	\$855,600	\$1,514,550

MONTH	TOTAL SALES	TOTAL CATERING	TOTAL REVENUE
JULY	\$85,950	\$71,300	\$157,250
AUGUST	85,950	71,300	157,250
SEPTEMBER	57,300	71,300	128,600
OCTOBER	38,200	71,300	109,500
NOVEMBER	38,200	71,300	109,500
DECEMBER	47,750	71,300	119,050
JANUARY	38,200	71,300	109,500
FEBRUARY	38,200	71,300	109,500
MARCH	66,850	71,300	138,150
APRIL	57,300	71,300	128,600
MAY	38,200	71,300	109,500
JUNE	47,750	71,300	119,050
TOTALS	\$659,950	\$855,600	\$1,514,550



# Appendix G - Membership Revenue Based on 43,000 Count

Member Category	Info Services				Average % of Total	Number at 43,000	Rates	Total Membership Income
	FY 99/00 % of Total	FY 00/01 @ 3/31/01 % of Total	Report @ 3/31/01 % of Total					
Senior	29.4%	31.5%	29.7%	30.2%	12,986	\$40	\$519,440	
Participating	36.5%	33.9%	34.3%	34.9%	15,007	60	900,420	
Contributing	8.4%	8.7%	7.9%	8.3%	3,583	125	447,917	
Donor	2.0%	2.4%	2.1%	2.2%	932	250	232,917	
Sponsor	0.4%	0.5%	0.4%	0.4%	186	500	93,167	
Family	13.5%	12.9%	13.0%	13.1%	5,647	70	395,313	
Teacher/Out of Region	9.2%	9.4%	10.8%	9.8%	4,214	35	147,490	
Art Point	0.6%	0.7%	1.8%	1.0%	444	25	11,108	
Totals	100.0%	100.0%	100.0%	100.0%	43,000		2,747,772	



DESCRIPTION	(1) FY 00/01 BUDGET	(2) FY 01/02 BUDGET	(3) VARIANCE (2) - (1)
1 LOCATION USE AND ART LOAN FEES	25,000	30,000	5,000
2 PHOTO SALES	37,000	30,000	(7,000)
3 AIRPORT FEES	12,000	12,000	0
4 DONATIONS (FREE FIRST WEDNESDAYS, ETC)	12,000	5,000	(7,000)
5 COAT CHECK	1,500	500	(1,000)
6 ADULT ED PROGRAMS	6,480	5,000	(1,480)
7 DOCENT FEES/TOURS	30,000	20,000	(10,000)
8 PUBLICATION ROYALTIES	500	500	0
9 MEMBERSHIP DONATIONS	60,000	60,000	0
10 AUDIO TOUR - LEGION	1,200	1,400	200
11 DEVELOPMENT EVENTS	12,000	12,000	0
12 OTHER	38,000	38,000	0
TOTALS	235,680	214,400	(21,280)





# Appendix "I" -- COFAM Other Expense Summary FY 2001-02

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Division / Department	(1) FY 1999-2000 Actuals	(2) Budget FY 2000-01	(3) Department Requested FY 2001-02	(4) Proposed FY 2001-02	(5) FY 2001-02 Spec Fund or Fee Covg	(6) Equipment Purchases Over \$1K	(7) Notes
<b>Curatorial / Conservation</b>							
101 Office of the Chief Curator	51,506	57,500	55,500	50,500			
101-861 Ancient Art & Interpretation	1,800	1,000	1,000	1,000			
103 Library	35,933	36,735	34,100	34,100			
104 Registration	72,309	28,695	56,300	43,500		25,450	
104-743 Registration: Loans Out - Reimbursable	1,028	10,000	20,000	20,000	20,000		Borrowing Institutions' fees
104-811 Registration: Acquisitions Freight	42,084	10,000	10,000	10,000			
105 Permanent Collection Maintenance	2,562	5,000	5,000	5,000			\$7K - Personnel
105-791 Guernicus Vellin Display Case	1,542	-	-	-			
106 Photo Services	22,647	12,000	17,500	14,000		7,500	
106-778 Collection Digitization	22,750	1,000	1,000	1,000		1,500	
106-816 American Collection Digitization	3,839	-	-	-			
111 European Art	754	1,750	1,750	1,500			
112 American Art	2,794	1,000	1,000	1,000	1,000		Root Fund
112-736 American Art Study Center	301	1,300	1,300	1,300			
112-750 Archives of American Art	745	2,000	2,000	2,000	2,000		Barclay Fund
113 Textiles	5,972	1,550	1,800	500			
113-730 McCoy Jones Project	14,419	28,450	16,900	5,000			
113-769 Wiedersing Carpet Prep	172	-	-	-			
115 Achenbach	8,276	9,000	10,500	10,000			
115-625 Rare Book and Portfolio Care	3,554	20,000	10,000	10,000	10,000		McNeil Volunteer Grant
115-792 Anderson Multi Media	17,000	8,500	-	-			
117 AOA	1,875	950	950	950			
117-771 AOA: Stale - Installation	723	-	-	-			



# Appendix "I" -- COFAM Other Expense Summary FY 2001-02

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Division / Departments	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	FY 1999-2000 Actuals	Budget FY 2000-01	Department Requested FY 2001-02	Proposed FY 2001-02	FY 2001-02 Spec Fnd or Fee Covg	Equipment Purchases Over \$1K	Notes
121 Paintings Conservation	14,236	13,100	4,620	4,620		1,200	Sardagna interest income to fund \$1,200 equipment purchase.
122 Textiles Conservation	4,260	6,300	6,600	6,000			
122-739 Tex Consv. Contract Work	9,139	5,000	-	3,500	5,000		Lab fees
122-748 Tex Consv. Storage Pest Control	1,135	1,500	1,000	1,000			
122-749 Tex Consv. Textile Storage Boxes	5,305	-	-	-			
122-739 Jones Collection Mofu Murders	5,601	-	-	-			
122-xxx Tapestry Collection Legion Storage Upgrade	-	-	7,500	-			
123 Paper Conservation	12,869	4,400	3,900	3,900			
123-744 Paper Conservation -- Regional Lab	7,104	5,000	14,300	7,500	7,500		Lab fees
124 Objects Conservation	4,490	7,150	5,150	5,150			
124-740 Objects Consv. Contract Work	3,503	15,000	5,100	5,100	5,100		Lab fees
124-785 Upholstery Fund	-	9,350	-	-			
124-790 Objects Consv. Airport Exhibition Projects	42,035	26,800	12,000	12,000	12,000		SFO Contract
124-767 McNeill/Rosenberg Projects	5,124	-	-	-			
Subtotal Curatorial and Conservation	429,406	330,070	306,810	260,160	62,600	35,650	
Education							
131 Ed. School Program	37,328	42,900	33,150	33,150	33,150		Heard Endowment Fund
131-732 Education Department Benefit	5,220	-	-	-			
131-734 Ed. Post-In-The Galleries	10,400	24,000	24,000	24,000	24,000		California Arts Council, Hearmen Endowment Fund
131-746 Ed. Trustees Education Committee	818	648	648	648			
131-756 Ed. Gallery's Education Room	82	1,000	-	-			
131-757 Ed. Youth Arts Festival	21,213	-	25,000	25,000			Chermon Foundation
131-762 Ed. Teachers Resource Center	21,496	3,000	7,750	7,750			
131-801 Ed. Artists' Studio	7,149	3,400	20,000	20,000			
131-827 Ed. College Slides	11,269	-	-	-			McNeil Volunteer Grant



# Appendix "I" -- COFAM Other Expense Summary FY 2001-02

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Division / Departments	(1) FY 1999-2000 Actuals	(2) Budget FY 2000-01	(3) Department Budget FY 2001-02	(4) Proposed FY 2001-02	(5) FY 2001-02 Spec Fund or Fee Cont	(6) Equipment Purchase Over \$1K	(7) Notes
133 Ed Museum Ambassadors	10,031	7,800	7,800	7,800	7,800		Adams, Hearst, CAC, Lurie, GAP, Gallert
134 Ed School Workshops	18,907	1,000	1,680	1,680			
134-798 Ed: Doing & Viewing - deYoung	-	1,000	5,140	5,140			
134-799 Ed: Doing & Viewing - Legion	-	1,000	3,470	3,470			
135 Adult Education Programs	30,113	43,180	71,650	71,650	16,500		Gold Fund
135-701 Ed: Legion Organ Concerts	26,273	32,300	44,500	20,000	32,300		Bradley Fund
141 Ed: Decent Council - General	19,420	19,140	18,300	18,300	3,000		Decent tour and lecture fees budgeted @ \$20K
142 Ed: Decent Council - Western	8,564	10,550	10,550	10,550			
143 Ed: Decent Council - AOA	3,308	6,080	6,080	6,080			
Subtotal Education	231,631	196,998	279,808	255,348	116,750		
Curatorial / Conservation / Education	681,037	527,068	586,618	515,468	179,350	35,650	
Publications							
102-XXX Publications: Works-In-Progress	314	50,000	50,000	50,000	50,000		Millen Endowment Fund
Exhibit Group							
231 Exhibit Planning	31,972	35,000	37,050	37,050			
232 Graphic Design	13,785	12,945	18,009	12,000		2,550	
233 Technicians	52,521	48,874	55,920	50,000		4,998	
233-794 Exhibition Lighting	11,406	13,080	11,580	10,000			
Subtotal Exhibition Group	109,684	109,899	123,459	109,050		7,546	
Exhibit Program							
24X-XXX Exhibit Program	940,689	935,720	898,461	898,461	423,603		Appendix "C" for details
Subtotal Curatorial Division	1,711,724	1,622,687	1,648,538	1,572,979	652,953	43,196	
DEVELOPMENT DIVISION							



**Appendix "I" -- COFAM Other Expense Summary FY 2001-02**

Division / Departments	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	FY 1999-2000 Actuals	Budget FY 2000-01	Department Requested FY 2001-02	Proposed FY 2001-02	FY 2001-02 Spec Fnd or Fee Covg	Equipment Purchases Over \$1K	Notes
<b>Development General</b>							
301 Office of the Dep Dir Development	63,511	43,560	40,650	40,650			
302 Government/Foundation Grants	2,533	2,775	3,725	3,725			
303 Corporate Fundraising	1,833	6,100	5,450	5,450			
311 Individual Support Under \$5,000	2,295	17,550	10,750	10,750			
312 Mail Campaign	2,256	34,000	50,000	50,000			
313 Friends and Patrons (\$1,000 - \$4,999)	1,422	-	-	-			See 311 - Individual Support Under \$5,000
314 Phone Campaign	480	38,250	-	-			
321 Associates (\$5,000 up)	3,818	21,350	12,300	12,300			
322 Trips	185,326	240,000	250,000	250,000	250,000		Trip fees
323 Nat'l Council	15,769	7,670	7,670	7,670			
331-XXX FAM Development Events	394,785	227,175	280,900	217,150			
Subtotal Development	674,028	638,430	661,445	597,695	250,000		Includes exhibition openings.
Benefits/ Art Point	65,033	110,415	93,750	93,750	93,750		Revenue from events
305 Art Point							
333 - FAM Benefits	61,713	76,000	208,509	190,000	190,000		Holiday Party, New de/young Groundbreaking.
Subtotal Benefits/Art Point	126,746	186,415	302,259	283,750	283,750		
<b>MEMBERSHIP SERVICES</b>							
341 Membership General	242,187	207,300	180,900	180,900			
342 Members Events	80,659	66,400	66,400	66,400			
343 Membership Promotion	265,596	264,500	256,500	256,500			
351 Data Base Services	25,904	26,760	42,260	42,260			
Subtotal Membership	614,346	564,960	546,060	546,060			
362 -3 Member Magazine	131,096	135,000	127,000	127,000			
363-7 Members' Guide	223,673	186,000	190,000	190,000			





# Appendix "I" -- COFAM Other Expense Summary FY 2001-02

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Division / Departments	(1) FY 1999-2000 Actuals	(2) Budget FY 2000-01	(3) Department Requested FY 2001-02	(4) Proposed FY 2001-02	(5) FY 2001-02 Spec Fnd or Fee Corg	(6) Equipment Purchases Over \$1K	(7) Notes
Subtotal Members' Publications	354,769	321,000	317,000	317,000			
Subtotal Development Division	1,769,689	1,710,895	1,826,764	1,744,505	533,750	0	
<b>ADMINISTRATIVE DIVISION</b>							
Administration General	52,657	54,500	51,700	51,700	1,359		Essey Family Fund
401 Office of the Director	48,082	12,000	12,000	12,000			
402 Audience Development	12,966	13,000	13,000	13,000			
402-829 Veterans' Day Celebration	2,317	5,000	7,500	4,500			
422 Gould Theater	28,372	16,000	-	-			
456-710 de Young First Wednesday Nights	153,635	145,670	174,300	174,300			
441 Account'g - General	4,362	5,000	-	-			
442 Admissions - de Young	6,348	9,000	11,375	9,000			
451 Administration - General	602,251	606,815	629,061	629,061		2,500	
454 Legion Administrator / Maintenance & Repair	11,165	29,500	35,000	35,000			
454-806 Legion Tuesdays	130,098	125,000	151,000	151,000			
456-719 de Young Tuesdays	122,683	65,000	-	-			
456 Human Resources / de Young Administrator	684	3,000	2,000	2,000			
471 Board of Trustees	16,664	9,310	8,310	8,310			
Subtotal Administration	1,192,284	1,096,795	1,095,246	1,089,871	1,359	2,500	
<b>Operations Group</b>							
203 Security	53,848	39,170	44,450	44,450			



# Appendix "I" -- COFAM Other Expense Summary FY 2001-02

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Division / Departments	FY 1999-2000 Actuals	Budget FY 2000-01	Department Requested FY 2001-02	Proposed FY 2001-02	FY 2001-02 Spec Fnd or Fee Covg	Equipment Purchases Over \$1K	Notes
204 Engineering -- de Young	38,459	13,725	-	-	-	-	-
204-818 Engineering -- Legion	50,616	55,770	43,110	43,110	-	-	-
211 Courier Vehicle Op	2,384	950	1,350	1,350	-	-	-
212 Health and Safety	2,889	2,500	2,200	2,200	-	-	-
214 Pest Control	12,460	14,480	11,800	11,800	-	-	-
215 Custodial - de Young	60,566	31,017	-	-	-	-	-
215-819 Custodial - Legion	57,231	59,815	43,500	43,500	-	-	-
216 Visitor Services - General	1,022	350	350	350	-	-	-
217 Volunteer Council	6,562	7,800	7,800	7,800	-	-	-
218 Flower Committee	13,539	8,000	14,000	8,000	-	-	-
219 - ADA Disabled	5,287	3,850	3,850	3,850	-	-	-
Subtotal Operations Group	304,853	237,437	172,110	166,110	-	-	-
Offsite Facilities							
202 Warehouse	165,105	170,322	358,496	358,496	54,000	-	15% of Warehouse costs charged to de Young Project
206 - de Young Offsite			307,000	307,000	-	-	100% of Offsite costs charged to de Young Project
207 - de Young Ed Center			86,320	86,320	86,320	-	Transamerica Foundation
208-814 233 Post, Floors Mezzanine 2, 3, 5 & 6	164,723	175,205	175,705	-	-	-	4th Floor charged to de Young Project
Subtotal Offsite Facilities	329,828	345,527	927,521	751,816	140,320	-	-
Subtotal Administrative Division	1,826,975	1,679,759	2,194,877	2,007,797	141,679	2,500	-
MARKETING AND COMMUNICATIONS							
501 Marketing General	10,419	12,200	28,700	10,000	-	-	-
501-722 SF Foundation de Young Marketing	983	50,000	-	-	-	-	-



## Appendix "I" -- COFAM Other Expense Summary FY 2001-02

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			Department Requested FY 2001-02	Proposed FY 2001-02	FY 2001-02 Spec Fnd or Fee Cng	Equipment Purchases Over \$1K	Notes
Division / Departments							
	FY 1999-2000 Actuals	Budget FY 2000-01					
501-952 Thinker.org	42,074	40,000	45,000	45,000			
511 Media Relations	50,704	52,450	51,550	48,550			
Subtotal Media Relations	104,180	154,650	125,250	101,550	0		
ADVERTISING							
512 Promotional Brochures	8,502	15,000	21,000	20,000			
514 Institutional Advertising	80,650	100,000	108,000	107,700			
515-XXX Exhibition Advertising	283,653	224,000	212,000	212,000	75,000		Ford Foundation
516 Advertising General	16,823	10,000	21,000	15,000			
Subtotal Advertising	389,628	349,000	362,000	354,700	75,000		
Subtotal Marketing and Communication	433,848	503,650	487,250	458,250	75,000		
Stores							
522-4 Museum Stores	151,085	52,200	48,200	48,200			
523 Product Development	-	5,300	-	-			
Subtotal Stores	151,085	57,500	48,200	48,200		-	
Facilities Rentals							
531 Corporate Rentals	111,390	145,400	124,030	124,030			
464-711 Cafe and Theater Rentals	39,814	40,000	40,000	40,000			
Subtotal Facilities Rentals	151,204	185,400	164,030	164,030		-	
Subtotal Marketing Division	796,137	745,550	699,480	668,480	75,000	-	
Grand Totals	6,104,725	5,759,801	6,379,669	5,993,761	1,403,382	45,686	



CORPORATION OF THE FINE ARTS MUSEUMS

M.H. DE YOUNG MEMORIAL MUSEUM \* CALIFORNIA PALACE OF THE LEGION OF HONOR

OFFICIAL SPECIAL MEETING NOTICE

Corporation of The Fine Arts Museums  
Board of Trustees

Thursday, October 18, 2001

3:30 p.m.<sup>1</sup>

Board Room

California Palace of the Legion of Honor

Lincoln Park

San Francisco, California

AGENDA

ORDER OF BUSINESS

- I. Calling of the Meeting to Order and Invitation to Members of the Public to Attend and Participate in Accordance with Recently Enacted Requirements that Not-for-Profit Organizations with City of San Francisco Contracts Conduct at Least Two Public Meetings a Year (San Francisco Administrative Code, Section 12L.4) – Diane B. Wilsey, President
- II. Calling of the Roll

Trustees

Del M. Anderson

Cheryl L. Bancroft

Alvin H. Baum, Jr.

Alix Phillips Becker

George McNear Bowles

Jamie Bowles

T. Robert Burke

Barbara B. Carleton

Iris S. Chan

Barnaby Conrad III

Marion Moore Cope

Belva Davis, Vice President/Audience Development and Civic Affairs

DOCUMENTS DEPT.

OCT 15 2001

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PUBLIC LIBRARY

<sup>1</sup> Or such time as the Fine Arts Museums of San Francisco Board of Trustees Special Meeting ends, but in no event before 3:30 p.m.





**Calling of the Role (continued)**

Dagmar Dolby  
Richard P. Essey  
Richard H. Finn  
Morgan Flagg  
Harrison S. Fraker, Jr., FAIA  
Tamara Fritz  
Rupert Garcia  
Richard N. Goldman  
Constance Goodyear  
Richard W. Goss II  
Nancy Hamon  
George Hecksher  
Jacqueline Hoefer  
Beverly James  
J. Burgess Jamieson  
Ann L. Johnson, M.D.  
Stephen L. Johnson  
Terrence Johnson  
William R. Kimball  
Leonard E. Kingsley  
Diane B. Lloyd-Butler, Vice President/Marketing and Communications  
Nancy McBean  
Nion McEvoy  
J. Alec Merriam, Vice President  
Lorna F. Meyer  
Josie Mooney  
Robert P. Morrow III, Vice President/Finance  
Joy Ou  
Marianne H. Peterson  
Steven MacGregor Read  
George R. Roberts  
Shelagh Rohlen, Vice President/Annual Support  
George B. Saxe  
Gail P. Seneca  
Randolph R. Scott  
Burl A. Toler, Sr.  
Vivian Fei Tsen  
Carlos Pedro Villa  
Paul Violich  
Lonna Wais  
Margaret Wetzell  
Nancy Willis



**Calling of the Role (continued)**

Diane B. Wilsey, President  
Alfred S. Wilsey  
David Winton

Absences to be Excused

Non-Voting Officers

Harry S. Parker III, Chief Executive Officer  
Steve Dykes, Treasurer  
Judy Gough, Executive Secretary

**III. Report of the President – Diane B. Wilsey**

- |    |   |            |
|----|---|------------|
| A. | Consideration and Possible Action to Approve the Minutes of the September 20, 2001 Meeting of the Executive Committee of the Board of Trustees (See Appendix A – Draft Minutes)   | Action     |
| B. | Presentation of Annual \$50,000 Grant from Wells Fargo in Support of the Education Program of the Fine Arts Museums of San Francisco - Bob Besozzi, Managing Officer, San Francisco Market, Wells Fargo   | Discussion |
| C. | Report on the Plans for a New de Young Museum in Golden Gate Park   | Discussion |
| D. | Report on the Letter from the President of the Board of Trustees and the Chief Executive Officer of the Corporation of The Fine Arts Museums to the President and Director of the Asian Art Museum Regarding the Impact of the Asian Art Museum Move to Its Civic Center Site on the New de Young Museum Building Project | Discussion |
| E. | Report on the Capital Campaign to Build a New de Young Museum in Golden Gate Park   | Discussion |
| F. | Other Informational Items   |            |
| 1. | Postponement of the October 3-5, 2001 National Council Meeting until February 6-8, 2002   | Discussion |
| 2. | Postponement of the October 20-28, 2001 Museum Associates Trip to Florence until October 19-27, 2002  | Discussion |



**IV. Director's Report - Harry S. Parker III**

- |    |   |            |
|----|---|------------|
| A. | Report on COFAM Operating Budget as of August 31, 2001<br>(See Appendix B – Report on COFAM Operating Budget as of August 31, 2001) | Discussion |
| B. | Consideration and Possible Action to Adopt a Resolution Authorizing the Transfer of Stock   | Action     |

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums (COFAM) does hereby authorize that any two of the following individuals are fully authorized and empowered to sell, assign, transfer, and deliver any and all shares of stock, bonds, debentures, notes, evidences of indebtedness, or other securities now or hereafter standing in the name of or owned by this Corporation and to make, execute, and delivery any and all written instruments necessary or proper to effectuate the authority hereby conferred, including execution of all written instructions necessary for our nominees, Wells Fargo Bank, Dresdner RCM Global Investors, and Merrill Lynch, to implement the transaction.

Authorized Individuals:

Harry S. Parker III, Chief Executive Officer  
Stephen E. Dykes, Treasurer  
Barbara Boucke, Deputy Director for Development.  
Robert M. Cullison, Controller

- |    |  |            |
|----|--|------------|
| C. | Report on the Wolff Olins Project to Develop Identity Language and Symbols for the Fine Arts Museums of San Francisco, the California Palace of the Legion of Honor and the M. H. de Young Memorial Museum | Discussion |
| D. | Other Informational Items  | Discussion |

<b>V.</b>	<b>Report of the Audience Development and Civic Affairs Committee – Pam McDonald, Director of Audience Development and Civic Affairs, for Belva Davis, Chair and Vice President of Audience Development and Civic Affairs</b>	<b>Discussion</b>
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- |    |   |            |
|----|---|------------|
| A. | Report on the Veteran's Day Event at the Legion of Honor on Sunday, November 11, 2001 | Discussion |
|----|---|------------|

<b>VI.</b>	<b>Report of the Annual Support Committee – Shelagh Rohlen, Chair and Vice President</b>	<b>Discussion</b>
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<b>VII.</b>	<b>Report of The Fine Arts Museums Foundation – Richard W. Goss II, President</b>	<b>Discussion</b>
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**VIII. Public Comment**

Members of the public may address the Board of Trustees on items not on the agenda that are within the subject matter jurisdiction of the Corporation of The Fine Arts Museums. Speakers may address the Board for up to three minutes; the President or the Board of Trustees may limit the total comment to thirty minutes.

**IX. Adjournment – Diane B. Wilsey, President**

**Action**





#### Public Meeting Requirements Relating to Accessibility

The subsequent information is in compliance with the Americans with Disabilities Act (ADA); the following will be made available upon request: (1) American sign language interpreters; (2) a sound enhancement system; (3) a meeting agenda available in alternative formats; and (4) a reader during the meeting. To arrange for these services, please contact Judy Gough at (415) 750-3669 at least two working days prior to a meeting. A late request will be honored if possible. Minutes of the meeting will be made in alternative formats upon request. Meeting agendas are available on the Fine Arts Museums of San Francisco website, [www.thinker.org](http://www.thinker.org).

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, those attending public meetings are reminded that others may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

The MUNI's wheelchair-accessible No. 18 line stops in front of the Legion. For access to the Legion from downtown, take MUNI's wheelchair-accessible No. 38 Geary line to 33rd and Clement and connect with the No. 18 line. For more information about MUNI's accessible services, call (415) 923-6142.

There are accessible parking spaces (disabled-designated) available in front of the Legion. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. For Telecommunication Device for the Deaf (TDD), the Museums use the California Relay Service.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the President may order the removal from the meeting of any person(s) responsible for the ringing or use of cell phones, pagers, or other similar sound-producing electronic devices.

#### Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force:

Donna Hall, Administrator  
Sunshine Ordinance Task Force  
City Hall, Room 409  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4683  
Office: (415) 554-7724  
Fax: (415) 554-7854  
E-mail: [Donna\\_Hall@ci.sf.ca.us](mailto:Donna_Hall@ci.sf.ca.us)

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at [www.ci.sf.ca.us/bdsupvrs/sunshine](http://www.ci.sf.ca.us/bdsupvrs/sunshine).

If you are unable to attend the meeting, you may submit written comments to Judy Gough, Fine Arts Museums of San Francisco, 233 Post Street, 6<sup>th</sup> Floor, San Francisco, CA, 94108. Public documents referred to in the agenda may be inspected at the Administrative Offices of the Fine Arts Museums located at 233 Post Street, 6<sup>th</sup> Floor, San Francisco, CA, 94108. Please contact Judy Gough at (415) 750-3669 to make arrangements.



**COFAM Budget Report For The Month Ended 31 August 2001****Page**

Budget-In-Brief Narrative	1
Cumulative Surplus (Loss) Chart	6
Resources & Expenses Detail	7
Annual Contributions – Appendix A	8
Stores Report – Appendix B	9
Exhibitions – Appendix C	
Balance Sheet	



## COFAM Operating Budget-In-Brief

Month Ended 31 August 2001

### Overview

Cumulative two-month FY 2001-02 results were \$160k in the black compared to the budget expectation of \$136k.

The COFAM Reserve was \$3,026 at the end of August, compared to \$2,714 the month before. The increase is due primarily to COFAM receiving a transfer of FAM Foundation endowment support.

Attendance sensitive revenues were down in July and August due to fewer *Henry Moore* show visitors than projected, coupled with the economic slowdown. Store gross profits were off \$47k, general admission income was off \$81k, and exhibit earned income was off \$28k. Personnel expenses were in line with budget as were other expenses.

Continued economic slowdown, and the impact of the September 11<sup>th</sup> terrorist attacks, will hurt the Museums. At this time, no one knows how difficult the situation will be or how long it will last. The Museums' City budget, which is funded by the Hotel Tax, may be cut as much as 10% or \$547k due to revised revenue projections based on negative economic growth for San Francisco. Expenses cut by the City will add to COFAM's burden. A new FY 2001-02 picture will come into sharper focus in the next month or two.

...continued



## Support & Revenue

Annual contributions were up \$55k. Admission sensitive revenues were down as discussed above. Facilities rentals did better than budget. However, rentals for the year are likely to be adversely affected as corporations and trade groups think twice about their entertainment costs. Membership slipped slightly to 44,802 paid members. Development trip fees were up because of the Associates (\$5,000 and up donors) trip to Italy, which has now been reset for 2002.

## Expenses

Personnel expenses were on budget. So were other expenses, except for small timing variations between budget projections and actual costs.

# # #

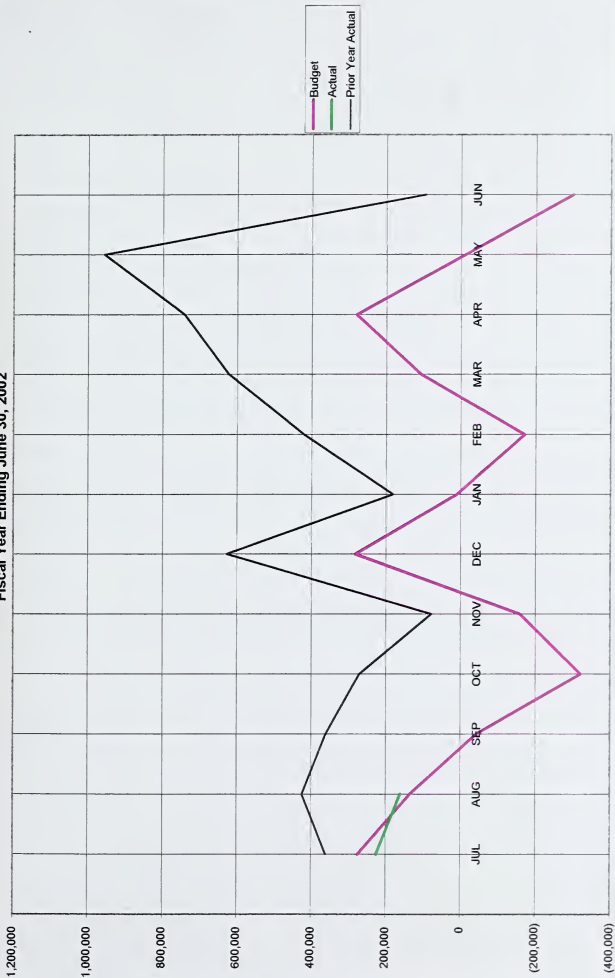
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# COFAM CUMULATIVE SURPLUS (LOSS) CHART

Fiscal Year Ending June 30, 2002





## COFAM FY 2001-02 Operating Budget At August 31, 2001 (2 Month -- 16.7% Of The Budget Year)

\$ in thousands

	(1)			(2)			(3)	% Actual To Budget	(4)
	Original Budget	Actual	Variance to M-T-D Budget	2-Months Original Budget	Actual	Variance to Y-T-D Budget			
<b>SUPPORT &amp; REVENUE</b>									
<b>Support</b>									
1) Annual Contributions	161	207	46	277	332	55	2,700	12%	200
2) Foundation Endowment Support	184	184	(0)	367	367	(0)	2,203	17%	352
3) Specified Funds	36	39	2	50	56	5	391	14%	48
--Curatorial/Conservation	0	2	2	0	2	2	60	4%	20
--Publications	4	0	(4)	6	0	(6)	499	0%	31
--Exhibitions	3	20	17	3	23	20	321	7%	12
--Education Programs	47	32	(14)	92	94	(2)	561	15%	0
--Offsite Facilities	29	47	18	46	78	32	217	36%	9
--General									
Subtotal Specified Funds	119	140	21	199	242	43	2,039	12%	120
4) COFAM Investment Income	28	16	(11)	38	33	(5)	275	12%	45
Subtotal Support	491	547	56	881	974	93	7,217	13%	717

See page 6.



\$ in thousands

	(1)		(2)		Variance to Y-T-D Budget	(3)	% Actual To Budget	(4)
	August Original Budget	Actual	2-Months Original Budget	Actual				
<b>Revenue</b>								
5) Museum Store Sales	141	84	(57)	173	(107)	1,234	14%	536
Less Discounts	(6)	(3)	3	(7)	5	(51)	14%	(22)
Less Cost of Goods	(74)	(46)	28	(94)	54	(689)	14%	(253)
Less Commissions and Royalties	(1)	0	1	(1)	0	(5)	0%	0
Gross Profit	60	34	(25)	72	(47)	518	14%	282
6) Facilities Rental Gross	12	33	21	48	22	604	12%	52
7) Benefits Gross Income / ArtPoint	0	14	14	0	14	190	7%	0
8) General Admissions COFAM Net	128	91	(37)	175	(81)	940	18%	385
9) Food & Beverage Concession Fees	14	10	(4)	23	(4)	125	18%	33
10) Exhibition Program Earned Income	40	28	(12)	52	(28)	232	22%	109
11) FAM Membership Dues	228	182	(44)	413	(24)	2,748	15%	433
12) Conservation Services	59	12	(46)	69	(17)	370	14%	59
13) Miscellaneous	25	134	109	136	111	250	54%	3
-Development Trip Fees	1	5	4	5	3	32	16%	51
-Publication Sales Net	15	7	(8)	17	(7)	214	8%	18
-Other Fees								
Subtotal Revenue	579	551	(28)	1,028	(59)	6,224	17%	1,426
Total Support & Revenue	1,070	1,098	28	2,002	34	13,441	15%	2,143

See page 7.

See pages 8 and 9.

## Museum Attendance:

Legion - August 2001: 32,783 visitors, 42.4% paid, budgeted - 45,000 visitors, 45% paid  
 Year to date: 62,961 visitors, 42.9% paid, budgeted - 90,000 visitors, 45% paid

## Membership:

Year to date: 6,445 dues paid members averaging \$64.07 per member  
 compared to budgeted goals of 6,844 dues paid members averaging \$63.90 per member.  
 Current active paying members = 44,802



COFAM FY 2001-02 Operating Budget At: August 31, 2001 (2 Month - 16.7% Of The Budget Year)

\$ in thousands

	(1)			(2)		Variance to Y-T-D Budget	Original Budget	% Actual To Budget	(4) Actual Prior Year At 2 Months
	August Original Budget	Actual	Variance to M-T-D Budget	2-Months Original Budget	Actual				
<b>EXPENSES</b>									
<b>Personnel Expenses</b>									
14) Curatorial									
Curatorial/Conservation/Education	298	300	5	409	421	12	2,562	16%	387
Project Funded/Term Employee	60	69	6	69	99	10	532	19%	109
Exhibit Group	115	106	(9)	169	156	(12)	1,001	16%	141
Exhibit Program Temporary Labor	6	3	(2)	9	5	(3)	67	6%	29
15) Development									
Development - General	72	69	(2)	97	100	3	620	16%	67
Membership	53	46	(7)	76	69	(6)	462	15%	63
16) Administration									
Administration General	151	144	(7)	199	196	(2)	1,309	15%	191
Operations Group	38	35	(3)	55	52	(3)	329	16%	50
17) Marketing									
Media Relations & Advertising	35	33	(2)	46	45	(3)	307	15%	45
Stores	38	39	1	54	57	4	330	17%	66
Facilities Rental	11	11	0	15	16	1	95	17%	14
Subtotal Personnel	675	656	(19)	1,220	1,218	(2)	7,633	16%	1,183





\$ in thousands

	(1)			(2)			(3)	% Actual To Budget	(4) Actual Prior Year At 2 Months
	Original Budget	Actual	Variance to M-T-D Budget	2-Months Original Budget	Actual	Variance to Y-T-D Budget			
<b>Other Expenses</b>									
18) Curatorial									
Curatorial/Conservation/Education									
Publications	43	34	(9)	64	44	(21)	515	9%	91
Exhibit Group	0	1	1	0	1	1	50	2%	20
Exhibit Program	9	2	(7)	14	11	(3)	109	10%	23
Exhibit Program	4	3	(1)	8	12	4	898	1%	24
19) Development									
Development - General	9	14	4	36	49	13	598	8%	14
Art Point	1	6	6	6	8	2	94	8%	1
Benefits	0	1	1	1	2	1	190	1%	0
Membership	22	31	9	53	65	12	546	12%	45
Magazine / Guide	15	14	(1)	20	20	0	317	6%	16
20) Administration									
Administration General	86	69	(19)	172	164	(8)	1,090	15%	145
Operations Group	14	18	4	21	26	6	172	15%	99
Offices	63	64	2	120	148	28	752	20%	0

Continued ...



COFAM FY 2001-02 Operating Budget At August 31, 2001 (2 Month -- 16.7% Of The Budget Year)

\$ in thousands

	(1)			(2)			(3)	(4)
	August Original Budget	Actual	Variance to M-T-D Budget	2-Months Original Budget	Actual	Variance to Y-T-D Budget	Original Budget	Actual Prior Year At 2 Months
Other Expenses Continued								
21) Marketing								
Media Relations & Advertising	50	70	20	66	82	16	456	34
Stores	4	2	(2)	6	7	1	48	20
Facilities Rental	5	0	(5)	8	0	(8)	164	6
Subtotal Other Expenses	325	328	3	595	638	44	5,969	539
22) City Partial Reimbursement for Education Program	(20)	(51)	(31)	(41)	(73)	(33)	(243)	(50)
Total Expenses	1,179	1,133	(46)	1,774	1,783	9	13,369	1,671
SUPPORT & REVENUE OVER EXPENSES	(110)	(36)	74	194	219	25	51	472
LESS PLANT FUND EXPENSE	(29)	(29)	0	(58)	(58)	(1)	(350)	(47)
THE BOTTOM LINE	(139)	(65)	74	136	160	24	(299)	424



(1) Contribution Categories	(2)		(3)		Variance to Y-T-D Budget	Prior Year Actuals	(4) Current Year Annual Goals	Current Year % of Annual Goals Achieved
	August 2001..... Actuals	Budget	August 2000 Actuals	Year To Date..... Budget	Actuals			
1) Associates (\$5,000 and up)	67	50	37	125	150	25	93	1,550 9.7%
2) Patrons (\$2,500 - \$5,000)	8	10	16	20	16	(4)	18	130 12.2%
3) Friends (\$1,000 - \$2,500)	20	15	26	30	33	3	45	475 7.0%
4) National Council/Other	4	4	0	8	5	(3)	2	60 7.8%
5) Mail Drive	2	1	0	2	15	13	0	105 14.6%
6) Phone Campaign	0	0	0	0	0	0	0	95 0.0%
7) Business	1	6	1	7	9	2	7	150 5.7%
8) Foundations	105	75	31	85	105	20	35	100 105.0%
	207	161	110	277	332	55	200	2,685 12.5%



Appendix B -- Stores Report: 2 Months Ended August 31, 2001  
\$ in thousands

	In House Merchandising		Outside Merchandising	
	(1) deYoung Store Budget	(2) Legion Store Budget	(3) Wholesale & Royalties Budget	(3) Actual
Closed				
Sales		204	163	3
Discounts		(10)	(7)	
Cost of Goods		(106)	(88)	(2)
Commissions & Royalties		0	0	0
Gross Profit		88	69	1
Personnel Expenses		54	52	3
Other Expenses		5	6	0
Total Expenses		59	58	3
Gross Profit Over Expenses		29	10	(2)
Variance Actual to Budget			(19)	(2)

	Exhibition Merchandising		Grand Totals	
	(4) Moore Store Budget	(5) Dada/Surrealism Store Budget	(6) Budget	(6) Actual
Sales	74	0	281	173
Discounts	(2)	0	(12)	(7)
Cost of Goods	(41)	0	(147)	(94)
Commissions	0	0	(2)	0
Gross Profit	31	0	120	72
Personnel Expenses	0	0	54	57
Other Expenses	1	0	6	8
Total Expenses	1	0	60	65
Gross Profit Over Expenses	30	0	61	7
Variance Actual to Budget	(31)	0		(54)





			(1) Runs	(2) Cost	(3) Gifts and Grants	(4) Income	(5) Net
				Original	Revised	Original	Revised
<b>In-House Exhibitions</b>							
1	Henry Moore: Sculpting the 20th Century (110)	L	23-Jun-01	\$ 80,640		108,455	25,815
2	Logan Book Gallery (3 rotations) (185)	L	ongoing	\$ 6,800			(6,800)
3	Marks of Creativity: Recent Acq. of Calif. Drawings (AGFA) (142)	L	20-Oct-01	\$ 6,200			(6,200)
4	The Artist Book in the Modern Era, 1870-2000	L	06-Oct-01	\$ 93,240			(93,240)
	The Reva and David Logan Collection (155)	L					
5	Triumph of Fortitude (audio rotation) (123)	L	01-Nov-01	\$ 5,570			(5,570)
5	Richard Diebenkorn: Clubs and Spades (170)	L	19-Jan-02	\$ 10,950			(10,950)
6	New Acquisitions from the Marcia and John Friede Collection (143)	L	26-Jan-02	\$ 48,700			(48,700)
7	Dreaming with Open Eyes: Data and Surrealism from the Arturo Schwarz Collection (107)	L	02-Feb-02	\$ 283,918	283,918 Jewish fund	15,000 Audio tour net	15,000
8	Recent Acquisitions of Contemporary Art (158)	L	20-Apr-02	\$ 6,350			(6,350)
9	Herodian Temple Mount (133)	L	18-May-01	\$ 71,033	80,000 IAA		(11,033)
10	Hard Edge (145)	L	25-May-02	\$ 10,650			(10,650)
11	Michel Sweets (124)	L	06-Jun-02	\$ 212,804			(212,804)
12	Grants and Gifts To Be Raised			\$ 614,855	100,000	121,455	100,000
	Subtotal In-House Exhibitions				423,918		(289,462)
<b>FAM Travelling Exhibitions</b>							
10	Thiebaut to Whitney (147)		28-Jun-01	\$ 75,000		85,000	10,000
11	Anderson 2000 to Albuquerque (161)		07-Oct-01	\$ 20,450		20,450	0
12	American Paintings (186)		TBD	\$ 75,000	Root	0	0
13	Airport Exhibitions (160)		TBD			5,000	5,000
14	Leonard Baskin (possible tour to NY before Fall 2002 in Maine)			\$ 170,450	0	110,450	15,000
15	JohnCage (possible touring exhibition to Oregon/NorthCarolina)			\$ 985,305	0	231,905	(754,402)
	Subtotal Travelling Tours						
	Total In House and Travelling Exhibitions						



\$ in thousands

## ASSETS

Cash	394
Cash Equivalents	34,382
Accounts Receivable	4,011
Prepaid Expenses	787
Note Receivable	250
Inventory - Store	682
Inventory - Publications	363
Investment in Stocks and Bonds	639
Furniture & Equipment (Net)	474
	<u>41,982</u>

## LIABILITIES &amp; FUND BALANCES

Accounts Payable	921
Other Accrued Liabilities	4,482
Deferred Income - Restricted	30,997
Deferred Income - Unrestricted	3,940
Fund Balances	
Unrestricted Fund	3,617
Plant Fund	(2,170)
Revenues over Expenses	195
(Note 2)	
	<u>41,982</u>

## COFAM Reserve At 8/31/01

3,026

## Note 1 -- Reserve Formula

Cash & Cash Equivalents	34,776
Bonds	639
Accounts Receivable	4,011
Less Accounts Payable	(921)
Less Other Accrued Liabilities	(4,482)
Less Deferred Income - Restricted	(30,997)
	<u>3,026</u>

## Note 2 -- Revenues over Expenses

Operating Revenue over Expenses	220
Less Plant Fund	(60)
Plus Restricted Funds	35
Less Airport Fund	0
Surplus / (Deficit)	<u>195</u>



\$ in thousands

## ASSETS

Cash	492
Cash Equivalents	35,712
Accounts Receivable	4,161
Prepaid Expenses	774
Note Receivable	250
Inventory - Store	721
Inventory - Publications	368
Investment in Stocks and Bonds	639
Furniture & Equipment (Net)	492
	<u>43,609</u>

## LIABILITIES &amp; FUND BALANCES

Accounts Payable	3,007
Other Accrued Liabilities	4,421
Deferred Income - Restricted	30,862
Deferred Income - Unrestricted	3,575
Fund Balances	
Unrestricted Fund	3,617
Plant Fund	(2,170)
Revenues over Expenses	297
(Note 2)	
	<u>43,609</u>

## COFAM Reserve At 7/31/01

2,714

## Note 1 -- Reserve Formula

Cash & Cash Equivalents	36,204
Bonds	639
Accounts Receivable	4,161
Less Accounts Payable	(3,007)
Less Other Accrued Liabilities	(4,421)
Less Deferred Income - Restricted	(30,862)
	<u>2,714</u>

## Note 2 -- Revenues over Expenses

Operating Revenue over Expenses	256
Less Plant Fund	(30)
Plus Restricted Funds	71
Less Airport Fund	0
Surplus / (Deficit)	<u>297</u>



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1/02

CORPORATION OF THE FINE ARTS MUSEUMS

M.H. DE YOUNG MEMORIAL MUSEUM \* CALIFORNIA PALACE OF THE LEGION OF HONOR

OFFICIAL MEETING NOTICE

Corporation of The Fine Arts Museums  
Board of Trustees

Thursday, January 31, 2002

3:30 p.m.<sup>1</sup>

Board Room

California Palace of the Legion of Honor  
Lincoln Park  
San Francisco, California

AGENDA

ORDER OF BUSINESS

- I. Calling of the Meeting to Order and Invitation to Members of the Public to Attend and Participate in Accordance with Recently Enacted Requirements that Not-for-Profit Organizations with City of San Francisco Contracts Conduct at Least Two Public Meetings a Year (San Francisco Administrative Code, Section 12L.4) – Diane B. Wilsey, President

II. Calling of the Roll

Trustees

Del M. Anderson  
Cheryl L. Bancroft  
Alvin H. Baum, Jr.  
Alix Phillips Becker  
George McNear Bowles  
Jamie Bowles  
T. Robert Burke  
Barbara B. Carleton  
Iris S. Chan  
Barnaby Conrad III  
Marion Moore Cope  
Belva Davis, Vice President/Audience Development and Civic Affairs

DOCUMENTS DEPT.

JAN 28 2002

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<sup>1</sup> Or such time as the Fine Arts Museums of San Francisco Board of Trustees Special Meeting ends, but in no event before 3:30 p.m.





**Calling of the Role (continued)**

Dagmar Dolby  
Richard P. Essey  
Richard H. Finn  
Morgan Flagg  
Harrison S. Fraker, Jr., FAIA  
Tamara Fritz  
Rupert Garcia  
Richard N. Goldman  
Constance Goodyear  
Richard W. Goss II  
Nancy Hamon  
George Hecksher  
Jacqueline Hofer  
Beverly James  
J. Burgess Jamieson  
Ann L. Johnson, M.D.  
Stephen L. Johnson  
William R. Kimball  
Leonard E. Kingsley  
Diane B. Lloyd-Butler, Vice President/Marketing and Communications  
Nancy McBean  
Nion McEvoy  
J. Alec Merriam, Vice President  
Lorna F. Meyer  
Josie Mooney  
Robert P. Morrow III, Vice President/Finance  
Joy Ou  
Marianne H. Peterson  
Steven MacGregor Read  
George R. Roberts  
Shelagh Rohlen, Vice President/Annual Support  
George B. Saxe  
Gail P. Seneca  
Randolph R. Scott  
Burl A. Toler, Sr.  
Vivian Fei Tsen  
Carlos Pedro Villa  
Paul Violich  
Lonna Waiss  
Margaret Wetzel  
Nancy Willis



**Calling of the Role (continued)**

Diane B. Wilsey, President  
David Winton

Absences to be Excused

Non-Voting Officers

Harry S. Parker III, Chief Executive Officer  
Steve Dykes, Treasurer  
Judy Gough, Executive Secretary

**III. Report of the President – Diane B. Wilsey**

- |      |   |        |
|------|---|--------|
| A.   | Consideration and Possible Action to Approve the Minutes of the December 13, 2001 Meeting of the Executive Committee of the Board of Trustees (See Appendix A – Draft Minutes)  | Action |
| <br> |   |        |
| B.   | Consideration and Possible Action to Adopt a Resolution Approving the New de Young Financing Plan and Authorizing the Corporation of The Fine Arts Museums to Borrow the Proceeds of Tax-Exempt Bonds to be Issued by the ABAG Finance Authority for NonProfit Corporations | Action |

WHEREAS, The highest institutional priority of the Corporation of The Fine Arts Museums (COFAM) is to build a New de Young Museum in Golden Gate Park; and

WHEREAS, Efforts to secure public funding for a New de Young Museum were unsuccessful with proposed City of San Francisco general obligation bond measures failing to receive the 66.7% affirmative votes for passage in 1996 (62.6% yes votes) and 1998 (64.3% yes votes); and

WHEREAS, At the request of the Board of Trustees of the Fine Arts Museums of San Francisco (FAMSF), the Capital Campaign for a New de Young Museum was initiated by COFAM with a fund-raising goal of \$165 million, of which over \$150 million has been raised to date; and

WHEREAS, The Capital Campaign schedule of pledges extends over a five year period, and the construction schedule for the New de Young Museum will require immediate payments before the pledges are received; and

WHEREAS, At its meeting on January 15, 2002, the Board of Trustees of The Fine Arts Museums Foundation (Foundation) approved the New



de Young Financing Plan in principle and authorized the borrowing of the proceeds of the issuance of the tax-exempt bonds ("Bonds") to be issued by the ABAG Finance Authority For NonProfit Corporations ("ABAG FANC") in a principal amount of not-to-exceed \$130,000,000; and

WHEREAS, The Board of Trustees of FAMSF on January 31, 2002 approved the New de Young Financing Plan and supported the decision of COFAM and the Foundation to borrow the proceeds of the Bonds; now, therefore, be it

RESOLVED, That to meet the cash flow requirements for the construction of the New de Young Museum, the Board of Trustees of COFAM does hereby approve the New de Young Financing Plan, the terms of which are herein incorporated by reference as though fully set forth herein, and authorizes COFAM to borrow the proceeds of the Bonds, pursuant to a Loan Agreement, among COFAM, the Foundation and ABAG FANC (such agreement, with such revisions that are approved by the President of the Board of Trustees or the Chief Executive Officer is referred to as the "Loan Agreement"), with the Loan Payments to be made under the Loan Agreement constituting a general obligation of COFAM and the Foundation; and, be it

FURTHER RESOLVED, That COFAM is authorized to approve, enter into, execute and deliver (as applicable) and perform its obligations under such contracts and other documents as are required for the issuance of the Bonds, including specifically: the Loan Agreement; A Continuing Disclosure Agreement, under which COFAM and the Foundation will agree to provide Annual Reports and reporting of significant events, as required by federal securities law; all documents normally associated with a variable interest rate and auction rate securities issuance, such as remarketing agreements, auction agent agreement, broker dealer agreement, market agent agreement; the preliminary and final Official Statement used in the marketing of the Bonds; the acceptance of a commitment of a municipal bond insurer to insure the bonds, and related repayment contracts; standby purchase agreements and other liquidity documents relating to the variable interest rate Bonds; and such other documents as are necessary to accomplish a variable rate and auction rate tax-exempt issuance of the Bonds under California and federal law (all such agreements and documents are referred to as the "Borrower Documents"), provided that the authorization set forth in this paragraph with respect to the principal Borrower Documents in favor of the municipal bond insurers is subject to the approval by the Executive Committee of COFAM of the principal terms of such Borrower Documents in favor of the municipal bond insurers; and, be it



FURTHER RESOLVED, That the President of the Board of Trustees and Chief Executive Officer are hereby authorized to execute on behalf of COFAM the Borrower Documents and, as applicable, to agree to modifications of such documents from their current terms (on file with the Chief Executive Officer).

- |    |   |            |
|----|---|------------|
| C. | Report on the Plans for a New de Young Museum in Golden Gate Park   | Discussion |
| D. | Report on the Capital Campaign to Build a New de Young Museum in Golden Gate Park   | Discussion |
| E. | Other Informational Items   | Discussion |
| 1. | Report on the May 15-19, 2002 Groundbreaking for a New de Young Museum in Golden Gate Park  | Discussion |
| 2. | Report on the February 6-8, 2002 National Council Meeting – Gail Merriam, Co-Chair of the National Council Planning Committee   | Discussion |
| 3. | Report on Plans for the Opening of <i>Masterworks of New Guinea Art: Selections from The Marcia and John Friede Collection</i> on February 6, 2002 and the Gala Preview Opening of the Tribal Arts Show on February 7, 2002 | Discussion |
| 4. | Report on an Elegant Evening in the Court of Honor, December 12, 2001, Legion of Honor – Jamie Nicol Bowles, Chair  | Discussion |

**IV. Director's Report - Harry S. Parker III**

- |    |   |            |
|----|---|------------|
| A. | Report on COFAM Operating Budget as of December 31, 2001 (See Appendix B – Report on COFAM Operating Budget as of December 31, 2001)  | Discussion |
| B. | Consideration and Possible Action to Adopt a Resolution Designating the Bequest from the Estate of Marjorie Stix Salz to the New de Young Museum Fund of The Fine Arts Museums Foundation | Action     |

WHEREAS, The building of a New de Young Museum in Golden Gate Park is the highest institutional priority for the Board of Trustees of the Corporation of The Fine Arts Museums; and

WHEREAS, On December 15, 2000, Helen Yune, Paralegal with Farella Braun + Martel LLP, informed the Museums that Marjorie Stix Salz,





had named the Museum Society of San Francisco as one of six charitable beneficiaries to receive one-sixth of the residue of her estate; and

WHEREAS, Funds received by The Museum Society, a former membership support organization of the Fine Arts Museums of San Francisco (FAMSF) and the Asian Art Museum (AAM), are to be distributed two-thirds to FAMSF and one-third to the AAM in accordance with Museum Society policy; and

WHEREAS, The Museum Society dissolved in 1996, and the Corporation of The Fine Arts Museums (COFAM) became the successor organization for The Museum Society (FAMSF component); and

WHEREAS, A check in the amount of \$222,982.03 from the Estate of Marjorie Stix Salz was received on December 17, 2001; and

WHEREAS, In a letter dated January 4, 2002, Attorney Michael L. Korbholz, representing the Estate of Marjorie Stix Salz and Richard Salz, husband of Marjorie Stix Salz and Executor of her Estate, requested that in keeping with the wishes of Marjorie Stix Salz the entire distribution of \$222,982.03 be directed to either the de Young Museum, or if not, to the Palace of the Legion of Honor; and

WHEREAS, The Chief Executive Officer has recommended that the \$222,982.03 bequest from the Estate of Marjorie Stix Salz be designated for the New de Young Museum Fund of The Fine Arts Museums Foundation; now, therefore, be it

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums does hereby designate the \$222,982.03 bequest from the Estate of Marjorie Stix Salz, and any additional distributions, for the New de Young Museum Fund of The Fine Arts Museums Foundation; and, be it

FURTHER RESOLVED, That the COFAM Board of Trustees recognizes the extraordinary generosity of decedent Marjorie Stix Salz with sincere appreciation.

C. Consideration and Possible Action to Adopt a Resolution Authorizing the Transfer of Stock      Action

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums (COFAM) does hereby authorize that any two of the following individuals are fully authorized and empowered to sell, assign, transfer, and deliver any and all shares of stock, bonds, debentures, notes, evidences of indebtedness, or other securities now or hereafter standing in the name of or owned by this Corporation and to make, execute, and deliver any



and all written instruments necessary or proper to effectuate the authority hereby conferred, including execution of all written instructions necessary for our nominees, Wells Fargo Bank, Dresdner RCM Global Investors, and Merrill Lynch, to implement the transaction.

Authorized Individuals:

Harry S. Parker III, Chief Executive Officer  
Stephen E. Dykes, Treasurer  
Barbara Boucke, Deputy Director for Development.  
Robert M. Cullison, Controllor

- |       |   |            |
|-------|---|------------|
| D.    | Other Informational Items   | Discussion |
| V.    | Report of the New de Young Museum Building Committee – Steven MacGregor Read, Chair   | Discussion |
| VI.   | Report of the Music Advisory Task Force – Gail Merriam, Chair   | Discussion |
| VII.  | Report of the Annual Support Committee – Shelagh Rohlen, Chair and Vice President   | Discussion |
| VIII. | Report of The Fine Arts Museums Foundation – Richard W. Goss II, President  | Discussion |
| IX.   | Public Comment  |            |
|       | Members of the public may address the Board of Trustees on items not on the agenda that are within the subject matter jurisdiction of the Corporation of The Fine Arts Museums. Speakers may address the Board for up to three minutes; the President or the Board of Trustees may limit the total comment to thirty minutes. |            |
| X.    | Adjournment - Diane B. Wilsey, President  | Action     |



#### Public Meeting Requirements Relating to Accessibility

The subsequent information is in compliance with the Americans with Disabilities Act (ADA); the following will be made available upon request: (1) American sign language interpreters; (2) a sound enhancement system; (3) a meeting agenda available in alternative formats; and (4) a reader during the meeting. To arrange for these services, please contact Judy Gough at (415) 750-3669 at least two working days prior to a meeting. A late request will be honored if possible. Minutes of the meeting will be made in alternative formats upon request. Meeting agendas are available on the website, [www.thinker.org](http://www.thinker.org).

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, those attending public meetings are reminded that others may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

The MUNI's wheelchair-accessible No. 18 line stops in front of the Legion. For access to the Legion from downtown, take MUNI's wheelchair-accessible No. 38 Geary line to 33rd and Clement and connect with the No. 18 line. For more information about MUNI's accessible services, call (415) 923-6142.

There are accessible parking spaces (disabled-designated) available in front of the Legion. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. For Telecommunication Device for the Deaf (TDD), the Museums use the California Relay Service.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the President may order the removal from the meeting of any person(s) responsible for the ringing or use of cell phones, pagers, or other similar sound-producing electronic devices.

#### Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force:

Donna Hall, Administrator  
Sunshine Ordinance Task Force  
City Hall, Room 409  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4683  
Office: (415) 554-7724  
Fax: (415) 554-7854  
E-mail: [Donna\\_Hall@ci.sf.ca.us](mailto:Donna_Hall@ci.sf.ca.us)

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at [www.ci.sf.ca.us/bdsupvrs/sunshine](http://www.ci.sf.ca.us/bdsupvrs/sunshine).

If you are unable to attend the meeting, you may submit written comments to Judy Gough, Corporation of The Fine Arts Museums, 233 Post Street, San Francisco, CA, 94108. Public documents referred to in the agenda may be inspected at the Administrative Offices of the Corporation of The Fine Arts Museums located at 233 Post Street, San Francisco, CA, 94108. Please contact Judy Gough at (415) 750-3669 to make arrangements.



# COFAM December 2001 Operating Budget Report

## Page

Narrative	1
Cumulative Surplus (Loss) Chart	6
Resources & Expenses Detail	7
Annual Contributions	8
Stores Report	9
Exhibition Program	
Balance Sheet	

DOCUMENTS DEPT.

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## COFAM Operating Budget-In-Brief

Month Ended 31 December 2001

### Overview

At 12/31/01 the budget was \$188k in the red, compared to the expectation of \$282k positive. The COFAM Reserve was \$2,514k, up \$169k from the month before.

Six month operating results were pumped up by taking \$300k from an anonymous unrestricted gift into annual contributions – part of management's 12/13/01 interim revised budget plan to counteract a poor first half of the fiscal year, during which the recession, the Sept. 11 terrorist attacks, City Hotel Tax budget cutbacks, and modest public response to the *Henry Moore* and *Logan Artists Books* shows combined to knock down store proceeds, general admission fees, and exhibition income.

The interim plan is explained in the 12/13/01 Executive Committee minutes and is included in Column 3 of the December budget report. The plan relies on taking one-time funds into the budget, freezing personnel vacancies, and imposing selected 5% and 10% other expense cuts. While this plan lands the Museums in the black at year-end before depreciation charges, the possibility of further economic decline, poor response to the Legion exhibit program, and the unforeseen make this a very difficult year. Accordingly, management will continue to examine monthly results, making changes wherever possible to keep the budget on track.

Highlights of mid-year results follow:



## **Support & Revenue**

At \$3,748k support was up \$381k, primarily due to the one-time addition of \$300k from the previously mentioned unrestricted gift. At \$2,579k revenues were considerably off target by \$573k. Stores were off \$66k, facilities rentals off \$57k, general admissions off \$113k, member dues of \$134k, trip fees off \$167k (with expense offsets from canceled Italy trip, adds for new Dutch trip, total program will breakeven by year-end).

## **Expenses**

At \$3,505k personnel expenses ran \$57k below budget due to attrition savings from five vacant fulltime positions plus savings from employees voluntarily reducing their workweeks. The re-calculation of personnel costs led to several mid-year corrections, notably in the Curatorial / Conservation / Education line.

At \$2,841k other expenses were \$219k over budget. Exhibit costs were \$149k of this overage due to costs occurring sooner than anticipated for certain shows. Costs for Benefits and Administration General were higher than expected, but will even out in the second half of the fiscal year. Similarly, Development and Membership expenses were down but will catch up. The overage for offsite facilities was included in the interim budget revision to correct a mistake in the original budget. Last, the City's partial reimbursement for COFAM Education Program expenses was scrapped as part of the City budget cutback.

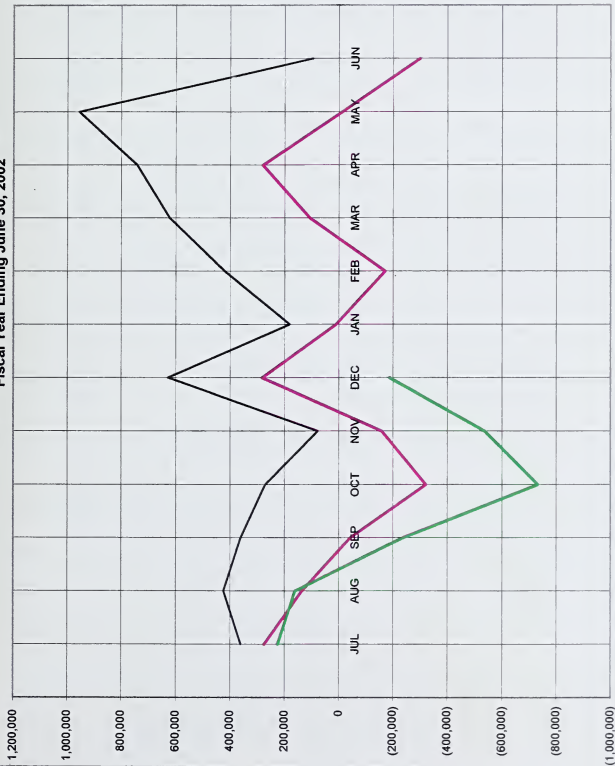
Other expenses will be micro-managed in the next six months to deliver the selected 5% and 10% cuts that are part of the interim revision to keep the operating budget in balance.

# # #

brcpt Th 1/24/02 - 1:17pm



COFAM CUMULATIVE SURPLUS (LOSS) CHART  
Fiscal Year Ending June 30, 2002





## COFAM FY 2001-02 Revised Budget Proposal and December Budget Report (6 Months - 50% Of The Budget Year)

Page 1

\$ in thousands

	(1)			(2)			(3)			(4)	
	December- Original Budget	Actual	Variance to M-T-D Budget	6 Months- Original Budget	Actual	Variance to Y-T-D Budget	Original Budget	Interim Revised Budget @ 12/3/01	Variance to Original Budget	Actual Prior Year At 6 Months	
<b>SUPPORT &amp; REVENUE</b>											
<b>Support</b>											
1) Annual Contributions	498	552	54	1,281	1,564	283	2,700	3,000	300	1,272	See page 6.
2) Foundation Endowment Support	184	184	(0)	1,101	1,101	(0)	2,203	2,203	-	1,055	
3) Specified Funds											
--Conservation	30	34	4	159	184	35	391	397	6	151	See page 7.
--Publications	0	0	0	50	55	5	50	77	27	55	
--Exhibitions	19	69	50	64	86	32	499	539	40	148	
--Education Programs	56	22	(36)	110	136	26	321	442	121	115	
--Office Facilities	47	41	(6)	279	248	(31)	561	591	-	218	
--General	29	51	22	163	212	50	217	277	60	218	
Subtotal Specified Funds	183	218	33	823	941	117	2,039	2,293	254	684	
4) COFAM Investment Income	40	35	(5)	151	123	(28)	275	275	-	183	
Subtotal Support	905	987	82	3,367	3,748	381	7,217	7,771	554	3,184	





## COFAM FY 2001-02 Revised Budget Proposal and December Budget Report (6 Months - 50% Of The Budget Year)

\$ in thousands

	(1)		(2)		(3)		(4)	
	December Original Budget	Actual	6 Months M-F-D Budget	Variance to M-F-D Budget	Actual	Variance to Y-T-D Budget	Interim Revised Budget @ 12/13/01	Variance to Original Budget
<b>Revenue</b>								
5) Museum Store Sales	66	81	13	13	451	(60)	1,125	(109)
Less Discounts	(3)	(6)	(3)	(3)	(24)	0	(61)	(4)
Less Cost of Goods	(96)	(43)	(6)	(6)	(268)	2	(80)	54
Less Commissions and Royalties	(1)	0	1	1	0	3	(6)	0
Gross Profit	26	33	4	4	182	(66)	472	(46)
6) Facilities Rental Gross	138	63	(76)	(76)	316	(57)	544	(60)
7) Benefits Gross Income / ArtPoint	63	26	(35)	(35)	142	(1)	190	-
8) General Admissions COFAM Net	59	53	(6)	(6)	363	(113)	801	(139)
9) Food & Beverage Concession Fees	10	13	4	4	67	2	125	-
10) Exhibition Program Earned Income	0	85	85	85	203	(33)	239	7
11) FAM Membership Dues	176	165	7	7	1,057	(134)	2,748	(150)
12) Conservation Services	26	16	(10)	(10)	185	5	370	(40)
13) Miscellaneous	0	4	4	4	9	(167)	250	(50)
—Donorship Trip Fees	3	2	(1)	(1)	11	(7)	32	-
—Publication Sales Net	19	25	6	6	96	(3)	214	-
—Other Fees	525	507	(16)	(16)	2,579	(573)	6,224	(478)
Subtotal Revenue	1,430	1,494	84	84	6,327	(192)	13,441	76
Total Support & Revenue								

See page 9.

See page 10.

## Membership:

Year to date: 16,125 dues paid members averaging \$65.53 per member  
 committed to pay dues of 18,640 dues paid members averaging \$63.90 per member.  
 Current active paying members = 41,732

## Museum Attendance:

Legion - December 2001: 19,103 visitors, 47.7% paid, budgeted - 25,000 visitors, 45% paid  
 Year to date: 144,395 visitors, 41.9% paid, budgeted - 165,000 visitors, 45% paid



## COFAM FY 2001-02 Revised Budget Proposal and December Budget Report (6 Months - 50% Of The Budget Year)

Page 3

\$ in thousands

	(1)			(2)			(3)			(4)
	December Original Budget	Actual	Variance to M-T-D Budget	6 Months Original Budget	Actual	Variance to Y-T-D Budget	Original Budget	Interim Revised Budget @ 12/13/01	Variance to Original Budget	
<b>Personnel Expenses</b>										
14 Curatorial										
Curatorial/Conservation/Education	187	125	(72)	1,187	1,174	(23)	2,582	2,501	(81)	1,158
Project Funded/Term Employees	41	42	1	253	288	15	532	520	(12)	284
Exhibit Group	77	88	(9)	478	418	(98)	1,001	978	(23)	387
Exhibit Program Temporary Labor	0	5	5	28	83	35	87	88	1	78
15 Development										
Development - General	48	47	(1)	288	280	2	620	608	(14)	262
Membership	36	39	3	220	214	(6)	482	478	14	192
16 Administration										
Administration General	101	95	(5)	601	570	(31)	1,309	1,284	(25)	556
Operations Group	25	25	(1)	157	150	(7)	328	334	5	144
17 Marketing										
Media Relations & Advertising	24	23	(1)	143	135	(8)	307	298	(11)	133
Stores	25	26	0	155	168	14	330	383	53	175
Facilities Rental	7	9	2	44	55	11	95	86	(9)	49
Subtotal Personnel	581	503	(78)	3,982	3,505	(57)	7,633	7,552	(81)	3,417



## COFAM FY 2001-02 Revised Budget Proposal and December Budget Report (0 Months - 50% Of The Budget Year)

\$ in thousands

	(1)		(2)		(3)		(4)
	December Original Budget	Variance to M-T-D Budget	Actual	8 Months Original Budget	Actual	Variance to Y-T-D Budget	
<b>Other Expenses</b>							
19) Curatorial							
Curatorial/Conservation/Education	43	58	16	238	235	(2)	266
Publications	0	(0)	(0)	50	55	5	55
Exhibit Group	9	4	(5)	50	30	(12)	53
Exhibit Program	0	121	115	251	401	149	330
19) Development							
Development - General	10	43	33	233	149	(84)	164
Art Point	5	6	1	51	21	(29)	14
Benefits	60	99	39	66	109	41	70
Membership	30	10	(20)	253	183	(69)	199
Magazine / Guide	20	27	7	141	157	16	198
20) Administration							
Administration General	68	70	(10)	517	598	81	699
Operations Group	14	16	4	76	111	35	351
Offices	63	74	11	370	444	74	0

Continued...



## COFAM FY 2001-02 Revised Budget Proposal and December Budget Report (6 Months - 50% Of The Budget Year)

Page 5

\$ in thousands

	(1)			(2)			(3)			(4)
	December Original Budget	Actual	Variance to M-F-D Budget	6 Months Original Budget	Actual	Variance to Y-T-D Budget	Original Budget	Interim Revised Budget @ 12/13/01	Variance to Original Budget	
Other Expenses Continued										
21) Marketing										
Media Relations & Advertising	30	58	28	247	210	(37)	458	441	(15)	217
Stores	4	14	11	21	37	17	48	48	-	55
Facilities Rental	20	14	(6)	58	83	25	184	152	(12)	63
Subtotal Other Expenses	400	618	218	2,622	2,841	219	5,999	5,928	(73)	2,771
22) City Partial Reimbursement for Education Program	(20)	0	20	(122)	0	122	(243)	-	243	(207)
Total Expenses	880	1,121	181	6,083	6,348	284	13,389	13,476	89	5,862
SUPPORT & REVENUE OVER EXPENSES	470	373	(97)	457	(19)	(476)	51	38	(13)	760
LESS PLANT FUND EXPENSE	(28)	(24)	5	(175)	(168)	8	(350)	(350)	0	(162)
THE BOTTOM LINE	441	349	(92)	282	(188)	(470)	(289)	(312)	(13)	628





Appendix "A" - Annual Contributions Report -- Month Ending December 31, 2001 (50% Of The Budget Year)  
\$ in thousands

(1) Contribution Categories	(2) December 2001.....		(3) Year To Date.....		Variance to Y-T-D Budget	Prior Year Actuals	(4) Current Year Revised Annual Goals		Current Year % of Revised Annual Goals Achieved
	Actuals	Budget	Actuals	Budget			Actuals	Goals	
1) Associates (\$5,000 and up)	390	375	479	770	816	46	814	1,600	51.0%
2) Patrons (\$2,500 - \$5,000)	42	20	32	80	78	(2)	57	175	44.5%
3) Friends (\$1,000 - \$2,500)	68	75	76	200	181	(19)	186	480	37.7%
4) National Council/Other	12	6	3	23	23	0	14	50	46.1%
5) Mail Drive	2	0	0	2	22	20	0	100	22.4%
6) Phone Campaign	0	0	0	0	0	0	0	0	0.0%
7) Business	6	12	18	81	24	(57)	45	130	18.2%
8) Foundations	30	10	79	135	440	305	155	465	94.6%
	552	498	686	1,291	1,584	293	1,272	3,000	52.8%



Appendix B — Stores Report: 6 Months Ended December 31, 2001  
\$ in thousands

	In House Merchandising.....		Outside Merchandising.....	
	(1) Legion Store Budget	(2) Internet Store Budget	(3) Wholesale & Royalties Budget	(4) Actual
Sales	420	0	25	35
Discounts	(21)	(23)	(15)	(24)
Cost of Goods	(216)	0	(4)	0
Commissions & Royalties	0	0	0	0
Gross Profit	181	147	6	12
Personnel Expenses	155	0	0	11
Other Expenses	19	0	0	0
Total Expenses	174	182	0	11
Gross Profit Over Expenses	6	(35)	6	0
Variance Actual to Budget	(41)	(8)	(8)	(6)

	Exhibition Merchandising.....		Grand Totals	
	(4) Moore Store Budget	(5) Dada/Surrealism Store Budget	(6) Actual	(7) Actual
Sales	95	0	0	451
Discounts	(3)	0	0	(24)
Cost of Goods	(52)	0	0	(284)
Commissions	0	0	0	(5)
Gross Profit	40	0	0	162
Personnel Expenses	0	0	0	169
Other Expenses	2	0	0	39
Total Expenses	2	0	0	208
Gross Profit Over Expenses	39	(2)	0	(46)
Variance Actual to Budget	(41)	0	0	(98)







\$ in thousands

## ASSETS

Cash	1,568
Cash Equivalents	8,654
Accounts Receivable	4,093
Prepaid Expenses	867
Note Receivable	250
Inventory - Store	720
Inventory - Publications	445
Investment in Stocks and Bonds	639
Furniture & Equipment (Net)	400
	<u>17,636</u>

## COFAM Reserve At 12/31/01

2,514

## Note 1 -- Reserve Formula

Cash & Cash Equivalents	10,222
Bonds	639
Accounts Receivable	4,093
Less Accounts Payable	(692)
Less Other Accrued Liabilities	(4,495)
Less Deferred Income - Restricted	(7,253)
	<u>2,514</u>

## LIABILITIES &amp; FUND BALANCES

Accounts Payable	692
Other Accrued Liabilities	4,495
Deferred Income - Restricted	7,253
Deferred Income - Unrestricted	3,750
Fund Balances	
Unrestricted Fund	3,605
Plant Fund	(2,171)
Revenues over Expenses	12
(Note 2)	
	<u>17,636</u>

## Note 2 -- Revenues over Expenses

Operating Revenue over Expenses	(20)
Less Plant Fund	(169)
Plus Restricted Funds	201
Less Airport Fund	0
Surplus / (Deficit)	<u>12</u>





\$ in thousands

## ASSETS

Cash	1,139
Cash Equivalents	31,957
Accounts Receivable	4,357
Prepaid Expenses	838
Note Receivable	250
Inventory - Store	686
Inventory - Publications	377
Investment in Stocks and Bonds	639
Furniture & Equipment (Net)	418
	<u>40,661</u>

## LIABILITIES &amp; FUND BALANCES

Accounts Payable	545
Other Accrued Liabilities	4,527
Deferred Income - Restricted	30,675
Deferred Income - Unrestricted	3,933
Fund Balances	
Unrestricted Fund	3,617
Plant Fund	(2,170)
Revenues over Expenses	(466)
(Note 2)	
	<u>40,661</u>

## COFAM Reserve At 11/30/01

2,345

## Note 1 -- Reserve Formula

Cash & Cash Equivalents	33,096
Bonds	639
Accounts Receivable	4,357
Less Accounts Payable	(545)
Less Other Accrued Liabilities	(4,527)
Less Deferred Income - Restricted	(30,675)
	<u>2,345</u>

## Note 2 -- Revenues over Expenses

Operating Revenue over Expenses	(394)
Less Plant Fund	(145)
Plus Restricted Funds	73
Less Airport Fund	0
Surplus / (Deficit)	<u>(466)</u>



**CORPORATION OF THE FINE ARTS MUSEUMS**

**Board of Trustees**  
**January 31, 2001**

- I. Calling of the Meeting to Order and Invitation to Members of the Public to Attend and Participate in Accordance with Recently Enacted Requirements that Not-for-Profit Organizations with City of San Francisco Contracts Conduct at Least Two Public Meetings a Year (San Francisco Administrative Code, Section 12L.4) – Diane B. Wilsey, President**

A meeting of the Board of Trustees of the Corporation of The Fine Arts Museums was held on Thursday, January 31, 2002, in the Board Room of the California Palace of the Legion of Honor, Lincoln Park, San Francisco. A quorum was present that being one-third of the number of Trustees in office. The meeting was called to order at 4:36 p.m. by Diane B. Wilsey, President, who invited members of the public to attend and participate in the meeting in accordance with requirements that not-for-profit organizations with City of San Francisco contracts conduct at least two public meetings a year (San Francisco Administrative Code, Section 12L.4).

President Wilsey presided; Mrs. Gough acted as Secretary.

- II. Calling of the Roll**

DOCUMENTS DEPT.

The following Trustees were present:

Del M. Anderson  
Alvin H. Baum, Jr.  
Jamie Nicol Bowles  
T. Robert Burke  
Barnaby Conrad III  
Marion Moore Cope  
Belva Davis, Vice President/Civic Affairs and Audience Development  
Dagmar Dolby  
Richard P. Essey  
Morgan Flagg  
Harrison S. Fraker, Jr.  
Dr. Rupert Garcia  
Constance Goodyear  
Richard W. Goss II  
George Hecksher  
J. Burgess Jamieson  
Stephen L. Johnson  
William R. Kimball  
Leonard E. Kingsley  
Diane B. Lloyd-Butler, Vice President/Marketing and Communications  
Nion McEvoy

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J. Alec Merriam, Vice President  
Josie Mooney  
Joy Ou  
Marianne H. Peterson  
Steven MacGregor Read  
Shelagh Rohlen, Vice President Annual Support  
George B. Saxe  
Randolph R. Scott  
Burl A. Toler, Sr.  
Vivian Fei Tsen  
Carlos Villa  
Nancy Willis  
Diane B. Wilsey, President

On motion, duly seconded and carried unanimously, the following Trustees were excused:

Cheryl H. Bancroft  
Alix Phillips Becker  
George McNear Bowles  
Barbara B. Carleton  
Iris S. Chan  
Richard H. Finn  
Mara Fritz  
Richard N. Goldman  
Nancy Hamon  
Jacqueline Hoefler  
Beverly James  
Ann L. Johnson, M.D.  
Nancy McBean  
Lorna F. Meyer  
Robert P. Morrow III, Vice President/Finance  
Lonna Wais  
Margaret Wetzel  
David Winton

Other Trustees in attendance were:

Keith Eickman  
George Hopper Fitch  
William Fries II  
Frankie Jacobs Gillette  
David R. Hoyer  
Sylvia Kingsley  
Stephanie MacColl  
Gail Merriam

Katharine Doyle Spann  
William A. Stimson  
Florence Sue Wong

The following non-voting officers were present:

Harry S. Parker III, Chief Executive Officer  
Steve Dykes, Treasurer  
Judy Gough, Secretary

### **III. Report of the President – Diane B. Wilsey**

#### **A. Consideration and Possible Action to Approve the Minutes of the December 13, 2001 Meeting of the Executive Committee of the Board of Trustees**

There being no discussion among the Trustees or members of the public, the minutes of the December 13, 2001 meeting of the Executive Committee of the Board of Trustees, having been mailed in advance to all Trustees, were unanimously approved.

#### **B. Consideration and Possible Action to Adopt a Resolution Approving the New de Young Financing Plan and Authorizing the Corporation of The Fine Arts Museums to Borrow the Proceeds of Tax-Exempt Bonds to be Issued by the ABAG Finance Authority for NonProfit Corporations**

President Wilsey introduced the following resolution approving the New de Young Financing Plan and authorizing the Corporation of The Fine Arts Museums to borrow the proceeds of tax-exempt bonds to be issued by the ABAG Finance Authority for NonProfit Corporations:

WHEREAS, The highest institutional priority of the Corporation of The Fine Arts Museums (COFAM) is to build a New de Young Museum in Golden Gate Park; and

WHEREAS, Efforts to secure public funding for a New de Young Museum were unsuccessful with proposed City of San Francisco general obligation bond measures failing to receive the 66.7% affirmative votes for passage in 1996 (62.6% yes votes) and 1998 (64.3% yes votes); and

WHEREAS, At the request of the Board of Trustees of the Fine Arts Museums of San Francisco (FAMSF), the Capital Campaign for a New de Young Museum was initiated by COFAM with a fund-raising goal of \$165 million, of which over \$150 million has been raised to date; and

WHEREAS, The Capital Campaign schedule of pledges extends over a five year period, and the construction schedule for the New de Young Museum will require immediate payments before the pledges are received; and

WHEREAS, At its meeting on January 15, 2002, the Board of Trustees of The Fine Arts Museums Foundation (Foundation) approved the New de Young Financing Plan in principle and authorized the borrowing of the proceeds of the issuance of the tax-exempt bonds ("Bonds") to be issued by the ABAG Finance Authority For NonProfit Corporations ("ABAG FANC") in a principal amount of not-to-exceed \$130,000,000; and

WHEREAS, The Board of Trustees of FAMSF on January 31, 2002 approved the New de Young Financing Plan and supported the decision of COFAM and the Foundation to borrow the proceeds of the Bonds; now, therefore, be it

RESOLVED, That to meet the cash flow requirements for the construction of the New de Young Museum, the Board of Trustees of COFAM does hereby approve the New de Young Financing Plan, the terms of which are herein incorporated by reference as though fully set forth herein, and authorizes COFAM to borrow the proceeds of the Bonds, pursuant to a Loan Agreement, among COFAM, the Foundation and ABAG FANC (such agreement, with such revisions that are approved by the President of the Board of Trustees or the Chief Executive Officer is referred to as the "Loan Agreement"), with the Loan Payments to be made under the Loan Agreement constituting a general obligation of COFAM and the Foundation; and, be it

FURTHER RESOLVED, That COFAM is authorized to approve, enter into, execute and deliver (as applicable) and perform its obligations under such contracts and other documents as are required for the issuance of the Bonds, including specifically: the Loan Agreement; A Continuing Disclosure Agreement, under which COFAM and the Foundation will agree to provide Annual Reports and reporting of significant events, as required by federal securities law; all documents normally associated with a variable interest rate and auction rate securities issuance, such as remarketing agreements, auction agent agreement, broker dealer agreement, market agent agreement; the preliminary and final Official Statement used in the marketing of the Bonds; the acceptance of a commitment of a municipal bond insurer to insure the bonds, and related repayment contracts; standby purchase agreements and other liquidity documents relating to the variable interest rate Bonds; and such other documents as are necessary to accomplish a variable rate and auction rate tax-exempt issuance of the Bonds under California and federal law (all such agreements and documents are referred to as the "Borrower Documents"), provided that the authorization set forth in this paragraph with respect to the principal Borrower Documents in favor of the municipal bond insurers is subject to the approval by the Executive Committee of COFAM of the principal terms of such Borrower Documents in favor of the municipal bond insurers; and, be it

FURTHER RESOLVED, That the President of the Board of Trustees and Chief Executive Officer are hereby authorized to execute on behalf of COFAM the Borrower Documents and, as applicable, to agree to modifications of such documents from their current terms (on file with the Chief Executive Officer).

A motion was made and seconded to adopt the resolution. There was no discussion among Trustees. There was no public testimony. The Board of Trustees voted unanimously to adopt the above resolution as **Board Resolution 305**.

**C. Report on the Plans for a New de Young Museum in Golden Gate Park**

President Wilsey advised that there were no new developments to report at this time.

**D. Report on the Capital Campaign to Build a New de Young Museum in Golden Gate Park**

President Wilsey announced that to date the capital campaign totaled \$152,666,858 in gifts and pledges from 5,557 donors. The recent *Your de Young* campaign raised \$1,342,513. Trustee Bowles offered congratulations on the effectiveness of the *Your de Young* campaign materials. The Board of Trustees expressed appreciation to President Wilsey for her remarkable capital campaign fund-raising achievement with a round of applause.

**E. Other Informational Items**

1. Report on the May 15-19, 2002 Groundbreaking for a New de Young Museum in Golden Gate Park

Plans are underway for the May 15-19, 2002 events celebrating the groundbreaking for a New de Young Museum in Golden Gate Park.

2. Report on the February 6-8, 2002 National Council Meeting –  
Gail Merriam, Co-Chair of the National Council Planning Committee

Trustee Merriam, Co-Chair of the National Council Planning Committee, reported on the February 6-8, 2002 National Council Meeting. The National Council will attend the opening of *Masterworks of New Guinea Art: Selections from the Marcia and John Friede Collection* at the Legion of Honor on Wednesday evening, February 6<sup>th</sup>, followed by dinner at the home of Trustee Emeritus Wm. Laney Thornton. It was pointed out that Marcia and John Friede are members of the National Council. The business meeting will be held the next day followed by a tour of the Interim de Young facility in South San Francisco in the afternoon and the Gala Preview Opening of the Tribal Arts Show that evening at the Festival Pavilion at Fort Mason. On Friday, February 8<sup>th</sup>, the National Council meeting concluded with a luncheon hosted by President Wilsey. The next National Council meeting will be held on October 2-4, 2002. Co-Chair Merriam concluded her report with a request that Trustees contact her with the names of individuals to be considered for membership on the National Council.



3. Report on Plans for the Opening of *Masterworks of New Guinea Art: Selections from The Marcia and John Friede Collection* on February 6, 2002 and the Gala Preview Opening of the Tribal Arts Show on February 7, 2002

Trustee J. Alec Merriam encouraged all to attend the February 7, 2002 Gala Preview Opening of the San Francisco Tribal Arts Show from 6 to 10 p.m., at the Festival Pavilion at Fort Mason. The preview, chaired by Mr. and Mrs. J. Alec Merriam with Mrs. Paul L. Wattis as Honorary Chairman, will benefit the Africa, Oceania and the Americas and the Textiles galleries in the New de Young Museum.

4. Report on an Elegant Evening in the Court of Honor, December 12, 2001, Legion of Honor – Jamie Nicol Bowles, Chair

Chair Bowles reported on an Elegant Evening in the Court of Honor held on December 12, 2001 at the Legion of Honor. The successful holiday gala attracted 473 guests, including a younger audience primarily due to a special ticket price for family members. The event netted approximately \$20,000 for the Museums.

#### IV. Director's Report - Harry S. Parker III

##### A. Report on COFAM Operating Budget as of December 31, 2001

At the request of Mr. Parker, Steve Dykes, Deputy Director for Administration and Finance, presented the COFAM Operating Budget Report as of December 31, 2001. At December 31, 2001, the budget was \$188k in the red, compared to the expectation of \$282k positive. The COFAM Reserve was \$2,514k, up \$169k from the month before.

Six month operating results were pumped up by taking \$300k from an anonymous unrestricted gift into annual contributions – part of management's December 31, 2001 interim revised budget plan to counteract a poor first half of the fiscal year, during which the recession, the September 11, 2001 terrorist attacks, City Hotel Tax budget cutbacks, and modest public response to the *Henry Moore* and *Logan Artists Books* shows combined to knock down store proceeds, general admission fees, and exhibition income.

The interim plan is explained in the December 13, 2001 Executive Committee minutes and is included in Column 3 of the December budget report. The plan relies on taking one-time funds into the budget, freezing personnel vacancies, and imposing selected 5% and 10% other expense cuts. While this plan lands the Museums in the black at year-end before depreciation charges, the possibility of further economic decline, poor response to the Legion exhibit program, and the unforeseen make this a very difficult year. Accordingly, management will continue to examine monthly results, making changes wherever possible to keep the budget on track.



Mid-year results were reported as follows. At \$3,748k support was up \$381k, primarily due to the one-time addition of \$300k from the previously mentioned unrestricted gift. At \$2,579k revenues were considerably off target by \$573k.

At \$3,505k personnel expenses ran \$57k below budget due to attrition savings from five vacant full-time positions plus savings from employees voluntarily reducing their workweeks. The re-calculation of personnel costs led to several mid-year corrections, notably in the Curatorial / Conservation / Education line.

At \$2,841K other expenses were \$219k over budget. Exhibit costs were \$149k of this overage due to costs occurring sooner than anticipated for certain shows. Costs for Benefits and Administration General were higher than expected, but will even out in the second half of the fiscal year. Similarly, Development and Membership expenses were down but will catch up. The overage for offsite facilities was included in the interim budget revision to correct a mistake in the original budget. Last, the City's partial reimbursement for COFAM Education Program expenses was scrapped as part of the City budget cutback.

Other expenses will be micro-managed in the next six months to deliver the selected 5% and 10% cuts that are part of the interim revision to keep the operating budget in balance.

**B. Consideration and Possible Action to Adopt a Resolution Designating the Bequest from the Estate of Marjorie Stix Salz to the New de Young Museum Fund of The Fine Arts Museums Foundation**

Mr. Parker reported that decedent Marjorie Stix Salz had named The Museum Society of San Francisco as a beneficiary to receive one-sixth of the residue of her estate. The Museum Society was a membership support organization of the Fine Arts Museums of San Francisco (FAMSF) and the Asian Art Museum (AAM), which was dissolved in 1996. It has been the practice in the past that funds received by The Museum Society have been distributed two-thirds to FAMSF and one-third to the AAM. However, in a letter from attorney Michael L. Korbholz, representing the Estate of Marjorie Stix Salz and Richard Salz, husband of Marjorie Stix Salz and Executor of her Estate, requested that in keeping with the wishes of Marjorie Stix Salz the entire distribution of \$222,982.03 be directed to either the de Young Museum, or if not, to the Palace of the Legion of Honor.

The subsequent resolution was introduced by Mr. Parker:

WHEREAS, The building of a New de Young Museum in Golden Gate Park is the highest institutional priority for the Board of Trustees of the Corporation of The Fine Arts Museums; and

WHEREAS, On December 15, 2000, Helen Yune, Paralegal with Farella Braun + Martel LLP, informed the Museums that Marjorie Stix Salz, had named the Museum

Society of San Francisco as one of six charitable beneficiaries to receive one-sixth of the residue of her estate; and

WHEREAS, Funds received by The Museum Society, a former membership support organization of the Fine Arts Museums of San Francisco (FAMSF) and the Asian Art Museum (AAM), are to be distributed two-thirds to FAMSF and one-third to the AAM in accordance with Museum Society policy; and

WHEREAS, The Museum Society dissolved in 1996, and the Corporation of The Fine Arts Museums (COFAM) became the successor organization for The Museum Society (FAMSF component); and

WHEREAS, A check in the amount of \$222,982.03 from the Estate of Marjorie Stix Salz was received on December 17, 2001; and

WHEREAS, In a letter dated January 4, 2002, Attorney Michael L. Korbholz, representing the Estate of Marjorie Stix Salz and Richard Salz, husband of Marjorie Stix Salz and Executor of her Estate, requested that in keeping with the wishes of Marjorie Stix Salz the entire distribution of \$222,982.03 be directed to either the de Young Museum, or if not, to the Palace of the Legion of Honor; and

WHEREAS, The Chief Executive Officer has recommended that the \$222,982.03 bequest from the Estate of Marjorie Stix Salz be designated for the New de Young Museum Fund of The Fine Arts Museums Foundation; now, therefore, be it

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums does hereby designate the \$222,982.03 bequest from the Estate of Marjorie Stix Salz, and any additional distributions, for the New de Young Museum Fund of The Fine Arts Museums Foundation; and, be it

FURTHER RESOLVED, That the COFAM Board of Trustees recognizes the extraordinary generosity of decedent Marjorie Stix Salz with sincere appreciation.

A motion was made and seconded to adopt the resolution. In response to a question raised by Trustee Baum, Mr. Parker confirmed that the AAM agreed that COFAM should receive the entire distribution of \$222,982.03 as requested by attorney Michael L. Korbholz, who represents the Estate of Marjorie Stix Salz and Richard Salz, husband of Marjorie Stix Salz and Executor of her Estate. There was no further discussion among Trustees. There was no public testimony. The Board of Trustees voted unanimously to adopt the above resolution as **Board Resolution 306**.

**B. Consideration and Possible Action to Adopt a Resolution Authorizing the Transfer of Stock**

Mr. Parker introduced the following resolution:

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums (COFAM) does hereby authorize that any two of the following individuals are fully authorized and empowered to sell, assign, transfer, and deliver any and all shares of stock, bonds, debentures, notes, evidences of indebtedness, or other securities now or hereafter standing in the name of or owned by this Corporation and to make, execute, and deliver any and all written instruments necessary or proper to effectuate the authority hereby conferred, including execution of all written instructions necessary for our nominees, Wells Fargo Bank, Dresdner RCM Global Investors, and Merrill Lynch, to implement the transaction.

Authorized Individuals:

Harry S. Parker III, Chief Executive Officer  
Stephen E. Dykes, Treasurer  
Barbara Boucke, Deputy Director for Development.  
Robert M. Cullison, Controller

On motion, duly seconded, there was no discussion among Trustees. There was no public testimony. The Board of Trustees voted unanimously to adopt the above resolution as **Board Resolution 307**.

**C. Report of the New de Young Museum Building Committee – Steven Macgregor Read, Chair**

In the absence of Chair Read, Mr. Parker reported that the Concourse Authority's plans for the underground parking garage in Golden Gate Park was presented at the January 29, 2002 meeting of the New de Young Building Committee. Gordon Chong, architect for the Concourse garage, has designed a plan, which accomplishes all of the objectives set forth for the garage in three phases: 1) the building of the de Young Museum parking component; 2) the construction of the Academy of Sciences parking component; and 3) the addition of the public transit underground bus storage area, MUNI and intra-Park shuttle stops, and the construction of a north to south access road.

Trustee Emerita Stephanie MacColl, a member of the Concourse Authority, stated that it is planned that the de Young garage will be completed two months before the New de Young Museum opens.

**VI. D. Report of the Music Advisory Task Force – Gail Merriam, Chair**

Chair Merriam advised that the Music Advisory Task Force oversees the music programs offered at the Museums, including the weekend organ concerts at the Legion of Honor and concerts involving the Guarnerius violin. Three concerts this spring will

feature the Guarnerius violin: 1) the New Century Chamber Orchestra concert on February 2<sup>nd</sup>; 2) on March 9<sup>th</sup>, the violin will be played by exceptional San Francisco Conservatory of Music students at a concert honoring Trustee Emerita Mrs. Paul L. Wattis; and 3) Alexander Barantschik, new concertmaster of the San Francisco Symphony, will perform on the legendary violin on June 16<sup>th</sup>. The Task Force met most recently January 16, 2002.

**VII. Report of the Annual Support Committee – Shelagh Rohlen, Chair and Vice President**

Chair Rohlen reported that in an effort to increase museum membership and giving at every level of participation, Mr. Parker will present a State of the Museums report at a Legion of Honor luncheon on Monday, February 25, 2002. A donor prospect sheet was distributed to each Trustee along with the request that Trustees assist in identifying new donors to be invited to the February 25<sup>th</sup> cultivation luncheon.

**VIII. Report of the Fine Arts Museums Foundation – Richard W. Goss II, President**

President Goss reported that at the close of business on January 25, 2002, the endowment portfolio was valued at \$74,788,646. It was invested 66.37% in equities, 28.26% in fixed income, and 5.37% in alternative investments.

**IX. Public Comment**

Members of the public may address the Board of Trustees on items not on the agenda that are within the subject matter jurisdiction of the Corporation of The Fine Arts Museums. Speakers may address the Board for up to three minutes; the President or the Board of Trustees may limit the total comment to thirty minutes. There was no public comment.

**X. Adjournment – Diane B. Wilsey, President**

In closing, Trustee Essey recalled Senator Dianne Feinstein's eloquent eulogy at the funeral services for Trustee Emeritus Alfred S. Wilsey on January 11, 2002. There being no further business, President Wilsey adjourned the meeting at 5:10 p.m.

Respectfully submitted,

Judy Gough  
Executive Secretary

Note: These minutes set forth all actions taken up by the Board of Trustees on matters stated, but not necessarily in the order in which the matters were considered.

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1/02

CORPORATION OF THE FINE ARTS MUSEUMS

M.H. DE YOUNG MEMORIAL MUSEUM \* CALIFORNIA PALACE OF THE LEGION OF HONOR

OFFICIAL ANNUAL MEETING NOTICE

<sup>1/2</sup>  
Corporation of The Fine Arts Museums  
Board of Trustees

Thursday, April 11, 2002

3:30 p.m.<sup>1</sup>

Board Room

California Palace of the Legion of Honor

Lincoln Park

San Francisco, California

DOCUMENTS DEPT.

AGENDA

APR - 8 2002

ORDER OF BUSINESS

SAN FRANCISCO  
PUBLIC LIBRARY

- I. **Calling of the Meeting to Order and Invitation to Members of the Public to Attend and Participate in Discussions Relating to the New de Young Financing Plan and the Issuance of Tax-Exempt Bonds by the ABAG Finance Authority for NonProfit Corporations (Agenda Item IV., A.) – Diane B. Wilsey, President**
- II. **Calling of the Roll**

Trustees

Arlene Ackerman<sup>2</sup>  
Del M. Anderson  
Cheryl L. Bancroft  
Alvin H. Baum, Jr.  
Alix Phillips Becker  
George McNear Bowles  
Jamie Bowles  
T. Robert Burke  
Barbara B. Carleton  
Iris S. Chan

<sup>1</sup> Or such time as the Fine Arts Museums of San Francisco Board of Trustees Meeting ends, but in no event before 3:30 p.m.

<sup>2</sup> Contingent upon election to the FAMSF Board of Trustees at the April 11, 2002 FAMSF Board of Trustees meeting.



**Calling of the Roll (continued)**

Barnaby Conrad III  
Marion Moore Cope  
Belva Davis, Vice President/Audience Development and Civic Affairs  
Dagmar Dolby  
Richard P. Essey  
Richard H. Finn  
Morgan Flagg  
Harrison S. Fraker, Jr., FAIA  
John A. Friede<sup>2</sup>  
Tamara Fritz  
Rupert Garcia  
Richard N. Goldman  
Constance Goodyear  
Richard W. Goss II  
Nancy Hamon  
George Hecksher  
Jacqueline Hoefer  
Beverly James  
J. Burgess Jamieson  
Ann L. Johnson, M.D.  
Stephen L. Johnson  
William R. Kimball  
Leonard E. Kingsley  
Diane B. Lloyd-Butler, Vice President/Marketing and Communications  
Nancy McBean  
Nion McEvoy  
J. Alec Merriam, Vice President  
Lorna F. Meyer  
Josie Mooney  
Robert P. Morrow III  
Joy Ou  
Marianne H. Peterson  
Michael H. Podell<sup>2</sup>  
Steven MacGregor Read  
Louise H. Renne<sup>2</sup>  
George R. Roberts  
Shelagh Rohlen, Vice President/Annual Support  
George B. Saxe

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<sup>2</sup> Contingent upon election to the FAMSF Board of Trustees at the April 11, 2002 FAMSF Board of Trustees meeting.





**Calling of the Roll (continued)**

Randolph R. Scott  
Gail P. Seneca  
Burl A. Toler, Sr.  
Vivian Fei Tsen  
Carlos Pedro Villa  
Paul Violich, Vice President/Finance  
Lonna Wais  
Margaret Wetzel<sup>3</sup>  
Nancy Willis  
Diane B. Wilsey, President  
David Winton

Absences to be Excused

Non-Voting Officers

Harry S. Parker III, Chief Executive Officer  
Steve Dykes, Treasurer  
Judy Gough, Executive Secretary

<b>III.</b>	<b>Report of the President – Diane B. Wilsey</b>	<b>Discussion</b>
A.	Consideration and Possible Action to Approve the Minutes of the March 14, 2002 Meeting of the Executive Committee of the Board of Trustees (See Appendix A – Draft Minutes)	<b>Action</b>
B.	Report of the Plans for a New de Young Museum in Golden Gate Park	<b>Discussion</b>
C.	Report on the Capital Campaign to Build a New de Young Museum in Golden Gate Park	<b>Discussion</b>
D.	Other Informational Items	<b>Discussion</b>
1.	Report on May 16, 2002 Annual Donor Luncheon Featuring Pierre de Meuron as Keynote Speaker	

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<sup>3</sup> To resign from the COFAM Board of Trustees contingent upon the acceptance of her resignation from the FAMSF Board of Trustees at the April 11, 2002 FAMSF Board of Trustees meeting.



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|--|-------------------|
| <b>IV. Director's Report - Harry S. Parker III</b>   | <b>Discussion</b> |
| A. Report on the New de Young Financing Plan Including the Issuance of the Tax-Exempt Bonds by the ABAG Finance Authority for NonProfit Corporations | <b>Discussion</b> |
| B. Report on COFAM Operating Budget as of February 28, 2002<br>(See Appendix B – Report on COFAM Operating Budget as of February 28, 2002)           | <b>Discussion</b> |
| C. Consideration and Possible Action to Adopt a Resolution Authorizing the Transfer of Stock   | <b>Action</b>     |

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums (COFAM) does hereby authorize that any two of the following individuals are fully authorized and empowered to sell, assign, transfer, and deliver any and all shares of stock, bonds, debentures, notes, evidences of indebtedness, or other securities now or hereafter standing in the name of or owned by this Corporation and to make, execute, and deliver any and all written instruments necessary or proper to effectuate the authority hereby conferred, including execution of all written instructions necessary for our nominees, Wells Fargo Bank, Dresdner RCM Global Investors, and Merrill Lynch, to implement the transaction.

Authorized Individuals:

Harry S. Parker III, Chief Executive Officer  
Stephen E. Dykes, Treasurer  
Barbara Boucke, Deputy Director for Development.  
Robert M. Cullison, Controllor

- |  |               |
|--|---------------|
| D. Consideration and Possible Action to Adopt a Resolution Amending the Bylaws of the Corporation of The Fine Arts Museums to Provide for a Variable Number of Trustees Serving on the Executive Committee of the Corporation of The Fine Arts Museums | <b>Action</b> |
|--|---------------|

WHEREAS, The composition of the Executive Committee of the Corporation of The Fine Arts Museums (COFAM) is set at fifteen Trustees as stipulated in Article IV, Section 12, c., of the Bylaws of the Corporation of The Fine Arts Museums; and

WHEREAS, The Board of Trustees of the Fine Arts Museums of San Francisco at its meeting on April 11, 2002 consented to amending Article IV, Section 12, c., of the COFAM Bylaws as stated below; and



WHEREAS, At its April 11, 2002 meeting, the COFAM Board of Trustees may vote to elect additional Trustees to serve on the Executive Committee such that the total number of Trustees serving on the Executive Committee may be greater than fifteen; now, therefore, be it

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums does hereby amend Article IV, Section 12, c., of the COFAM Bylaws as follows:

(c) EXECUTIVE COMMITTEE.<sup>3</sup>

(1) Composition. This Corporation shall have an Executive Committee composed of **at least fifteen Trustees, the exact number to be set by the Corporation's Board of Trustees from time to time.** The President and each Vice President of this Corporation and the members of the Executive Committee of the Fine Arts Museums of San Francisco shall be members of the Committee. Other members shall be elected annually by this Corporation's Board of Trustees.

E. Other Informational Items

Discussion

V. Report of the Nominating Committee – Nion McEvoy, Chair

A. Consideration and Possible Action to Elect the Following Officers to a Term of One Year Action

Diane B. Wilsey, President  
Belva Davis, Vice President for Civic Affairs and Audience Development  
Diane B. Lloyd-Butler, Vice President for Marketing and Communications  
J. Alec Merriam, Vice President  
Shelagh Rohlen, Vice President for Annual Support  
Paul Violich, Vice President for Finance  
Harry S. Parker III, Chief Executive Officer  
Steve Dykes, Treasurer  
Judy Gough, Secretary

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<sup>3</sup> Additional language in bold type.



- B. Consideration and Possible Action to Elect the Following Trustees to the COFAM Executive Committee for a Term of One Year **Action**

Richard W. Goss II  
J. Burgess Jamieson  
Steven MacGregor Read  
Paul Violich

- C. Consideration and Possible Action to Adopt a Resolution Setting the Number of Trustee Positions **Action**

WHEREAS, On June 14, 1990, the Corporation of The Fine Arts Museums By-Laws were amended to provide for a variable number of Trustees; and

WHEREAS, The amendment stated that the authorized number of Trustees shall not be less than thirty-eight and not more than seventy-five, the exact authorized number to be set by the Board of Trustees from time to time; now, therefore, be it

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums does hereby set the number of Trustees at fifty-eight (contingent upon there being nine Trustees on the Board of Trustees of The Fine Arts Museums Foundation following the meeting of the Members of The Fine Arts Museums Foundation on April 11, 2002) until such number is changed by this Board.

- D. Consideration and Possible Action to Adopt a Resolution Setting the Number of Trustees on the Executive Committee of the Corporation of The Fine Arts Museums **Action**

WHEREAS, On April 11, 2002, the Corporation of The Fine Arts Museums Bylaws were amended to provide for a variable number of Trustees to serve on the COFAM Executive Committee; and

WHEREAS, The amendment stated that the authorized number of Trustees shall be at least fifteen Trustees, the exact authorized number to be set by the Corporation's Board of Trustees from time to time; now, therefore, be it

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums does hereby set the number of Trustees serving on the COFAM Executive Committee at seventeen until such number is changed by this Board.





- |              |  |                   |
|--------------|--|-------------------|
| <b>VI.</b>   | <b>Report of the Annual Support Committee – Shelagh Rohlen, Chair and Vice President</b>             | <b>Discussion</b> |
| <b>VII.</b>  | <b>Report of The Fine Arts Museums Foundation – Richard W. Goss II, President</b>                    | <b>Discussion</b> |
| <b>VIII.</b> | <b>Annual Reports of Supporting Organizations</b> (Written Reports to be Distributed at the Meeting) | <b>Discussion</b> |
- 
- |    |   |
|----|---|
| A. | Achenbach Graphic Arts Council – Susan Land, Second Vice Chair              |
| B. | American Art Study Center Advisory Council - Nancy Boas, Chair              |
| C. | Ancient Hellenic Arts Council - Michael Zagaris, Acting President           |
| D. | Artist Book Council - Emily Marcus, Chair                                   |
| E. | ArtPoint – Danielle Machotka, Chair   |
| F. | The Docent Council – Jack Byers, Chair                                      |
| G. | European Decorative Arts Council - Adolphus Andrews, Jr., Chair             |
| H. | Friends of New Art - Robert J. Bransten, Program Chair                      |
| I. | Belvedere-Tiburon Auxiliary – Lois Cannady, Chair                           |
| J. | East Bay Auxiliary – Jeanette Roach, Chair                                  |
| K. | Hillsborough Auxiliary – Maria Evans, Chair                                 |
| L. | Ross Auxiliary – Michael Moore, Chair                                       |
| M. | San Francisco Auxiliary - Jane Forbes, Chair                                |
| 1. | Bouquets to Art – Jane Hickerson, Susan Mooradian, Marcia Forman, Co-Chairs |
| N. | Flower Committee – Lynn Scher, Chair  |
| O. | National Council – Gail Merriam, Co-Chair                                   |
| P. | San Francisco Ceramic Circle - Colin Knight, President                      |



Q. Textile Arts Council – Gretchen Turner, Chair

R. Volunteer Council – Sue Surges, Steering Committee

**IX. Adjournment – Diane B. Wilsey, President**

**Action**

Note: The Members Meeting of The Fine Arts Museums Foundation will immediately following the meeting of the COFAM Board of Trustees.

cofamabt024



# COFAM February 2002 Operating Budget Report

## Page

Narrative	1
Cumulative Surplus (Loss) Chart	6
Resources & Expenses Detail	7
Annual Contributions	8
Stores Report	9
Exhibition Program	
Balance Sheet	

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## **COFAM Operating Budget-In-Brief**

Month Ended 28 February 2002

### **Overview**

At 2/28/02 the budget was \$556k in the red, compared to the expectation of \$45k negative. The COFAM Reserve was \$2,487k, down \$59k from the month before.

Note that the 12/13/01 Interim Revised Budget plan is set out in Column 3 of the budget number summary. The plan was discussed at the December 2001 Executive Committee meeting. It relies upon propping up the budget with more than \$400k in one-time funds, freezing personnel vacancies, and imposing selected 5% and 10% other expense cuts. While the plan is balanced at year's end on 6/30/02 before depreciation charges, it will be difficult to right a poor first half of the fiscal year, cope with one-museum operation, and ride out the recession. A third quarter (period ending 3/31/02) budget review is underway, including revised projections for year-end at 6/30/02.

Budget highlights at the end of February 2002 follow:

### **Support & Revenue**

At \$5,065k support was up \$596k due to the use of a one-time \$300k unrestricted gift, \$100k more from Goldsmith Fund income, and \$150k from new de Young Museum funds to offset a contribution to the Yes on Proposition 40 campaign for cultural and recreational facilities. In the Annual Contributions line, Associates donations (\$5k and up) were running ahead, but Friends (\$1k -- \$2.5k) lagged budget, as did the Business Council.

At \$3,465 revenues were off target by \$752k in the same areas since last fall. Stores were off \$101k, facilities rentals off \$91k, general





admissions off \$112k, member dues off \$249k, trip fees off \$141k – a budget aberration with expense offsets from the Italy trip cancelled after Sept. 11, adds for the Dutch trip, and ultimately breakeven trip results by year-end.

### Expenses

At \$4,949k personnel expenses ran \$95k below budget due to freezing five vacant fulltime positions plus savings from employees voluntarily reducing their workweeks. Exhibit Group personnel costs were down and largely offset by an increase in Exhibit Program Temporary Labor – the result of using the additional \$100k of Goldsmith Fund income to pay for regular operating personnel expenses attributable to the *Dada* show to help balance the budget.

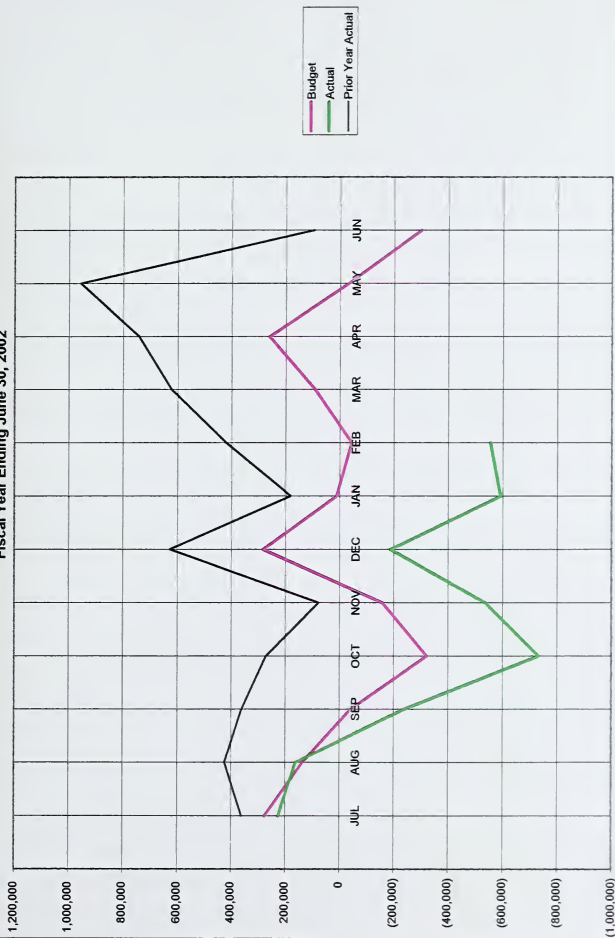
At \$3,907 other expenses were \$312k over budget. Exhibit costs were \$166k of this overage. The cost of returning *Thiebaud* exhibit art from the Whitney Museum of American Art to lenders went up about \$118k due to using truck transport rather than planes after Sept. 11. Front-end costs for the road tour of *American Accents* were running \$61k higher than expected and were covered with Root endowment income for American art. The Administration General line was up \$129k in February and \$177k year-to-date because of the \$150k Proposition 40 contribution. Membership costs were down \$97k partially offsetting the drop in dues income. The overage for offsite facilities was included in the interim budget revision to correct a mistake in the original budget. The remaining other expense variations from budget are expected to even out before year's end and track interim revised budget savings goals.

# # #

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COFAM CUMULATIVE SURPLUS (LOSS) CHART  
Fiscal Year Ending June 30, 2002





\$ in thousands

	(1)			(2)			(3)			(4)	
	February Original Budget	Actual	Variance to M-T-D Budget	6 Months Original Budget	Actual	Variance to Y-T-D Budget	Original Budget	Interim Revised Budget @ 12/13/01	Variance to Original Budget	Actual Prior Year At 6 Months	
<b>SUPPORT &amp; REVENUE</b>											
<b>Support</b>											
1) Annual Contributions	107	177	70	1,607	1,930	323	2,700	3,000	300	1,632	See page 6.
2) Foundation Endowment Support	164	184	(20)	1,469	1,468	(1)	2,203	2,203	-	1,408	
3) Specified Funds											
--Curatorial/Conservation	29	33	4	248	298	48	391	397	6	287	
--Publications	0	0	0	50	86	18	50	77	27	55	
--Exhibitions	75	35	(40)	184	280	96	499	539	40	174	
--Conservation Programs	3	3	(0)	145	164	39	321	442	121	164	
--Office Facilities	47	40	(8)	372	332	(40)	561	561	-	0	
--General	0	153	153	196	365	169	217	277	60	373	
Subtotal Specified Funds	153	265	111	1,195	1,524	329	2,039	2,293	254	1,032	
4) COFAM Investment Income	19	4	(15)	198	142	(56)	275	275	-	240	
Subtotal Support	463	629	166	4,469	5,065	596	7,217	7,771	554	4,312	



## COFAM FY 2001-02 February Budget Report (8 Months - 66.7% Of The Budget Year)

\$ in thousands

	(1)		(2)		(3)		(4)	
	February Original Budget	Actual	Variance to M-T-D Budget	8 Months Original Budget	Actual	Variance to Y-T-D Budget	Interim Revised Budget @ 12/13/01	Variance to Original Budget
<b>Revenue</b>								
5) Museum Store Sales	159	98	(61)	755	613	(142)	1,234	1,457
Less: Merchandise	(8)	(5)	3	(32)	(32)	(0)	(51)	(150)
Less: Cost of Goods	(66)	(49)	17	(402)	(351)	51	(659)	(752)
Less Commissions and Royalties	(1)	(1)	0	(4)	(13)	(10)	(5)	0
Gross Profit	67	44	(23)	318	217	(101)	518	555
8) Facilities Rental Gross	30	17	(13)	429	336	(93)	604	439
7) Benefits Gross Income / AirPoint	10	1	(9)	153	150	(3)	190	125
8) General Admissions COFAM Nat	89	89	0	819	507	(112)	940	801
9) Food & Beverage Concession Fees	11	11	0	84	89	5	125	121
10) Exhibition Program Earned Income	13	6	(7)	219	212	(6)	232	239
11) FAM Membership Dues	285	212	(72)	1,733	1,483	(249)	2,746	1,751
12) Conservation Services	50	20	(30)	277	221	(56)	370	239
13) Miscellaneous	25	67	42	225	84	(141)	250	82
--Donations / Trip Fees	2	5	3	23	23	0	32	120
--Publication Sales Nat	19	22	3	137	214	4	214	169
--Other Fees	601	494	(107)	4,216	3,465	(752)	8,224	4,639
Subtotal Revenue	1,084	1,123	59	8,685	8,530	(156)	13,441	8,951
Total Support & Revenue								

## Museum Attendance:

Legion - February 2002: 31,312 Visitors, 41 Spaid, budgeted - 30,000 visitors, 45% paid  
 Year to date: 187,043 visitors, 41 8% paid, budgeted - 235,000 visitors, 45% paid

## Membership:

Year to date: 22,380 dues paid members averaging \$66.28 per member  
 compared to budgeted goal of 27,114 dues paid members averaging \$65.90 per member.  
 Current active paying members = 41,435





\$ in thousands

	(1)		(2)		(3)		(4)
	February Original Budget	Actual	8 Months Original Budget	Actual	Original Budget	Variance to Original Budget @ 12/13/01	Actual Prior Year At 8 Months
			Variance to M-T-D Budget	Variance to Y-T-D Budget			
<b>EXPENSES</b>							
<b>Personnel Expenses</b>							
14) Curatorial	197	208	10	1,690	1,672	(16)	1,844
Curatorial/Conservation/Education							
Project Funded/Term Employees	48	14	(34)	335	335	(20)	385
Exhibit Group	77	65	(12)	669	540	(129)	545
Exhibit Program Temporary Labor	18	16	(1)	59	150	91	108
15) Development							
Development - General	48	53	5	407	415	8	369
Membership	36	38	2	309	303	(6)	278
16) Administration							
Administration General	101	88	(13)	853	812	(41)	789
Operations Group	25	25	(1)	220	211	(9)	202
17) Marketing							
Media Relations & Advertising	24	23	(1)	202	191	(11)	189
Stores	25	36	11	218	242	24	238
Facilities Rental	7	8	1	82	78	(4)	69
Subtotal Personnel	605	563	(21)	5,044	4,949	(95)	4,814



\$ in thousands

	(1)		(2)		(3)		(4)	
	February Original Budget	Actual	Variance to M-F-B Budget	8 Months Original Budget	Actual	Variance to Y-T-D Budget	Interim Revised Budget @ 12/3/01	Actual Prior to February 8 Months
<b>Other Expenses</b>								
18) Curatorial								
Curatorial/Conservation/Education	43	27	(16)	322	329	7	481	399
Publications	0	0	0	50	68	18	50	55
Exhibit Group	9	11	2	68	67	(1)	98	68
Exhibit Program	106	29	(77)	439	605	166	872	475
19) Development								
Development - General	55	42	(13)	335	263	(72)	598	257
Art Point	5	3	(2)	56	30	(26)	84	27
Benefits	0	8	8	90	129	39	190	88
Membership	42	19	(23)	329	232	(97)	548	314
Magazine / Guide	5	13	8	169	183	14	317	232
20) Administration								
Administration General	86	215	129	690	667	177	1,050	894
Operations Group	14	7	(7)	104	140	37	172	479
Offices	63	75	12	496	598	100	752	0

Continued...



\$ in thousands

	(1)		(2)		(3)		(4)
	February Original Budget	Variance to M-T-D Budget	6 Months Original Budget	Variance to Y-T-D Budget	Original Budget	Variance to Original Budget	Actual Prior Year At 6 Months
	Actual		Actual				
Other Expenses Continued							
21) Marketing	30	22	308	251	456	441	285
Media Relations & Advertising	4	6	26	46	48	48	70
Stores	25	4	113	101	164	152	120
Facilities Rental	486	480	3,565	3,907	5,999	5,928	3,743
Subtotal Other Expenses	(20)	0	(142)	0	(243)	-	(243)
22) City Partial Reimbursement for Education Program	1,071	1,064	8,487	8,856	13,389	13,478	8,314
Total Expenses	(6)	60	188	(326)	51	38	638
SUPPORT & REVENUE OVER EXPENSES	(28)	(22)	(233)	(230)	(350)	(350)	(216)
LESS PLANT FUND EXPENSE	(36)	37	(45)	(656)	(289)	(312)	421
THE BOTTOM LINE							



Appendix "A" - Annual Contributions Report -- Month Ending February 28, 2002 (66.7% Of The Budget Year)  
\$ in thousands

(1) Contribution Categories	(2) February 2002		(3) Year To Date		Variance to Y-T-D Budget	Prior Year Actuals	(4) Current Year	
	Actuals	Budget	Actuals	Budget			Revised Annual Goals	% of Revised Annual Goals Achieved
1) Associates (\$5,000 and up)	127	25	93	920	1,057	1,042	1,600	66.1%
2) Patrons (\$2,500 - \$5,000)	15	15	28	115	106	91	175	60.7%
3) Friends (\$1,000 - \$2,500)	27	40	39	285	231	257	480	48.1%
4) National Council/Other	2	2	3	30	33	23	50	66.3%
5) Mail Drive	0	10	0	12	25	1	100	25.1%
6) Phone Campaign	0	0	0	0	0	0	0	0.0%
7) Business	6	5	0	95	33	63	130	25.4%
8) Foundations	1	10	0	150	445	156	465	95.6%
	177	107	162	1,607	1,930	1,632	3,000	64.3%





Appendix B -- Stores Report: 7 Months Ended February 28, 2002  
\$ in thousands

	In House Merchandising.....		Outside Merchandising.....			
	(1)		(2)		(3)	
	Legion Store		Internet Store		Wholesale & Royalties	
	Budget	Actual	Budget	Actual	Budget	Actual
Sales	533	512	0	2	41	40
Discounts	(27)	(29)				
Cost of Goods	(277)	(294)	0	(1)	(25)	(26)
Commissions & Royalties	0	(0)	0	0	(5)	(12)
Gross Profit	229	188	0	1	10	1
Personnel Expenses	218	211	0	0	0	16
Other Expenses	26	35	0	9	0	0
Total Expenses	245	246	0	9	0	16
Gross Profit Over Expenses	(15)	(58)	0	(8)	10	(14)
Variance Actual to Budget		(43)		(8)		(25)

	Exhibition Merchandising.....		Dada/Surrealism Store.....		Grand Totals.....	
	(4) Moore Store		(5) Budget		(6) Budget	
	Budget	Actual	Budget	Actual	Budget	Actual
Sales	95	7	86	52	755	613
Discounts	(3)	(0)	(3)	(3)	(32)	(32)
Cost of Goods	(52)	0	(47)	(25)	(400)	(351)
Commissions	0	0	0	(1)	(6)	(13)
Gross Profit	40	2	36	24	317	217
Personnel Expenses	0	3	0	12	218	242
Other Expenses	2	2	0	2	28	49
Total Expenses	2	5	0	14	246	291
Gross Profit Over Expenses	39	(2)	36	10	71	(74)
Variance Actual to Budget		(41)		(26)		(144)



v e n u e	(1) Runs	(2) Cost	(3) Gifts and Grants		(4) Income		(5) Net	
			Original	Revised	Original	Revised	Original	Revised
In-House Exhibitions								
1	Henry Moore: Sculpting the 20th Century (110)	15-Sep-01	\$ 60,840	\$ 33,203	106,455	63,936	25,915	20,733
2	Logan Book Gallery (3 rotations) (165)	L ongoing	\$ 6,600	\$ 6,600			(6,800)	(6,800)
3	Marks of Creativity: Recent Acq. of Calif. Drawings (ACFA) (142)	10-Feb-02	\$ 6,200	\$ 6,200			(6,200)	(6,200)
4	The Artist Book in the Modern Era, 1870-2000 The Fava and David Logan Collection (155)	06-Jan-02	\$ 93,240	\$ 93,240			(93,240)	(93,240)
5	Triumph of Fortitude (textile rotation) (123)	02-Jul-01	\$ 5,570	\$ 5,570			(5,570)	(5,570)
6	Richard Diebenkorn: Clubs and Spades (170)	14-Apr-02	\$ 10,950	\$ 10,950			(10,950)	(10,950)
6	New Acquisitions from the Marcia and John Fields Collection (143)	30-Jun-02	\$ 46,700	\$ 46,700			(46,700)	(46,700)
7	Dreaming with Open Eyes: Dada and Surrealism from the Arturo Schwarz Collection (107)	02-Feb-02	\$ 263,916	\$ 363,916	263,916	363,916	15,000	15,000
8	Recent Acquisitions of Contemporary Art (156)	11-Aug-02	\$ 6,350	\$ 5,350			(6,350)	(6,350)
9	Herodian Temple Mount (133)	06-Jul-01	\$ 71,033	\$ 0	60,000	0	(11,033)	0
10	Hard Edge (146)	07-Jul-02	\$ 10,650	\$ 10,650			(10,650)	(10,650)
11	Michel Sweets (124)	25-Aug-02	\$ 212,604	\$ 212,604	25,000	NEA	(212,604)	(187,604)
12	Grants and Gifts To Be Phased		\$ 614,655	\$ 796,365	100,000	100,000	100,000	100,000
	Subtotal In-House Exhibitions				423,918	488,916	(269,482)	(236,531)
PAM Travelling Exhibitions								
13	Thibaud to Whitney (147)	26-Jun-01	\$ 75,000	\$ 193,011		65,000	10,000	(63,011)
14	Anderson 2000 to Albuquerque (161)	07-Oct-01	\$ 20,450	\$ 20,450		20,450	0	0
15	American Paintings (165)	TBD	\$ 75,000	\$ 75,000		0	0	0
16	Airport Exhibitions (160)	TBD			75,000	75,000	5,000	5,000
17	Leonard Baskin (possible tour to NY before Fall 2002 in Maine)		\$ 35,000	\$ 35,000			0	0
18	John Cage (possible touring exhibition to Oregon/West/Carolina)		\$ 170,450	\$ 323,461			0	0
19	Gantner-Meyer Travels		\$ 35,000	\$ 35,000			0	0
	Subtotal Travelling Tours		\$ 170,450	\$ 323,461	\$ 76,000	\$ 75,000	\$ 15,000	\$ (75,011)
	Total Exhibitions		\$ 966,305	\$ 1,119,846	488,916	663,916	231,905	(254,482)

(316,542)



\$ in thousands

## ASSETS

Cash	712
Cash Equivalents	13,295
Accounts Receivable	3,780
Prepaid Expenses	851
Note Receivable	250
Inventory - Store	765
Inventory - Publications	398
Investment in Stocks and Bonds	639
Furniture & Equipment (Net)	362
	<u>21,052</u>

## LIABILITIES &amp; FUND BALANCES

Accounts Payable	345
Other Accrued Liabilities	4,477
Deferred Income - Restricted	11,117
Deferred Income - Unrestricted	3,916
Fund Balances	
Unrestricted Fund	3,605
Plant Fund	(2,171)
Revenues over Expenses	(237)
(Note 2)	
	<u>21,052</u>

## COFAM Reserve At 1/31/02

2,487

## Note 1 -- Reserve Formula

Cash & Cash Equivalents	14,007
Bonds	639
Accounts Receivable	3,780
Less Accounts Payable	(345)
Less Other Accrued Liabilities	(4,477)
Less Deferred Income - Restricted	(11,117)
	<u>2,487</u>

## Note 2 -- Revenues over Expenses

Operating Revenue over Expenses	(328)
Less Plant Fund	(230)
Plus Restricted Funds	321
Less Airport Fund	0
Surplus / (Deficit)	<u>(237)</u>



\$ in thousands

## ASSETS

Cash	695
Cash Equivalents	10,176
Accounts Receivable	3,666
Prepaid Expenses	893
Note Receivable	250
Inventory - Store	589
Inventory - Publications	558
Investment in Stocks and Bonds	639
Furniture & Equipment (Net)	381
	<u>17,847</u>

## LIABILITIES &amp; FUND BALANCES

Accounts Payable	335
Other Accrued Liabilities	4,450
Deferred Income - Restricted	7,845
Deferred Income - Unrestricted	4,112
Fund Balances	
Unrestricted Fund	3,605
Plant Fund	(2,171)
Revenues over Expenses	(329)
(Note 2)	
	<u>17,847</u>

COFAM Reserve At 1/31/02

2,546

Note 1 -- Reserve Formula

Cash & Cash Equivalents	10,871
Bonds	639
Accounts Receivable	3,666
Less Accounts Payable	(335)
Less Other Accrued Liabilities	(4,450)
Less Deferred Income - Restricted	(7,845)
	<u>2,546</u>

Note 2 -- Revenues over Expenses

Operating Revenue over Expenses	(373)
Less Plant Fund	(207)
Plus Restricted Funds	251
Less Airport Fund	0
Surplus / (Deficit)	<u>(329)</u>





Order of Business

**Members Meeting of The Fine Arts Museums Foundation**

**ANNUAL MEETING**

**Board Room**

**Legion of Honor**

Golden Gate Park

San Francisco, CA

Thursday, April 11, 2002

Time: 4:15 p.m. or such earlier time as the FAMSF Board of Trustees and the COFAM Board of Trustees meetings end, but in no event before 3:00 p.m.

**Calling of the Meeting to Order** by the Foundation President, Richard Goss

**Calling of the Roll:**

Members

Arlene Ackerman<sup>1</sup>

Del M. Anderson

Cheryl L. Bancroft

Alvin H. Baum, Jr.

Alix Phillips Becker

George McNear Bowles

Jamie Bowles

T. Robert Burke

Barbara B. Carleton

Iris S. Chan

Barnaby Conrad III

Marion Moore Cope

Belva Davis, Vice President/Audience Development and Civic Affairs

Dagmar Dolby

Richard P. Essey

Richard H. Finn

Morgan Flagg

Harrison S. Fraker, Jr., FAIA

John A. Friede<sup>1</sup>

Tamara Fritz

Rupert Garcia

Richard N. Goldman

Constance Goodyear

Nancy Hamon

George Hecksher

Jacqueline Hoefer

Beverly James

J. Burgess Jamieson

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<sup>1</sup> Contingent upon election to the FAMSF Board of Trustees at the April 11, 2002 FAMSF Board of Trustees meeting.

Ann L. Johnson, M.D.  
Stephen L. Johnson  
William R. Kimball  
Diane B. Lloyd-Butler, Vice President/Marketing and Communications  
Nancy McBean  
Nion McEvoy  
J. Alec Merriam, Vice President  
Lorna F. Meyer  
Josie Mooney  
Robert P. Morrow III  
Joy Ou  
Marianne H. Peterson  
Michael H. Podell<sup>1</sup>  
Louise H. Renne<sup>1</sup>  
Shelagh Rohlen, Vice President/Annual Support  
George B. Saxe  
Randolph R. Scott  
Burl A. Toler, Sr.  
Vivian Fei Tsen  
Carlos Pedro Villa  
Lonna Wais  
Margaret Wetzel<sup>2</sup>  
Nancy Willis  
Diane B. Wilsey, President  
David Winton

**Approval of Minutes** – The meeting of the members on April 12, 2001 – copy attached

APPROVED \_\_\_\_\_

- A. Report on Financial Condition and Operation of Foundation.
- B. Discussion and Possible Action of Proposed Revisions to Bylaws of the Fine Arts Museums Foundation (Attachment A)

APPROVED \_\_\_\_\_

- C. Election of Trustees:

Trustees for Election

Bernard Osher (first term)

J. Burgess Jamieson \* (first term)

ELECTED \_\_\_\_\_

***\* Pending approval by the Foundation Trustees at their April 9, 2002 Trustee Meeting***

The term for each position is three years and will expire in April 2005.

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<sup>1</sup> Contingent upon election to the FAMSF Board of Trustees at the April 11, 2002 FAMSF Board of Trustees meeting.

<sup>2</sup> To resign from the FAMSF Board of Trustees contingent upon the acceptance of her resignation from the FAMSF Board of Trustees at the April 11, 2002 FAMSF Board of Trustees meeting.

### Trustee for Reelection

George R. Roberts (third term)

ELECTED \_\_\_\_\_

The term is for three years and will expire in April 2005.

Trustees may succeed themselves in office; provided, however that no Trustee may be elected for more than three (3) consecutive terms.

The Foundation Board consists of 10 Trustee positions, which include an ex-officio voting position for the President of the Board of Trustees of the Corporation of The Fine Arts Museums. One position will be left vacant at this time.

Other Trustee members are:

	<u>Term Expires</u>
Diane B. Wilsey	Ex-officio member
Richard W. Goss II	October 2001 (first term)
J. Alec Merriam	April 2003 (first term)
Steven MacGregor Read	April 2003 (first term)
Gail P. Seneca	April 2003 (second term)
Paul Violich	April 2004 (first term)

### Election For Trustee Emeritus Status

Leonard Kingsley - Mr. Kingsley joined the Board in 1989.

ELECTED \_\_\_\_\_

- D. Ratification of the Selection of PricewaterhouseCoopers as Outside Independent Auditors of the Foundation for Fiscal Year 2000-2001.

RESOLVED, That the membership of The Fine Arts Museums Foundation does hereby ratify the selection of PricewaterhouseCoopers as this Corporation's independent public accountant for Fiscal Year 2000-2001.

RATIFICATION \_\_\_\_\_

**Other Business**

**Adjournment**



ARTICLE IVOfficers

Section 1. Officers. The officers of this corporation shall be a President, ~~Vice President, Executive Director,~~ Secretary, Treasurer, and such other offices as the Board of Trustees may appoint. When the duties do not conflict, one person, other than the President, may hold more than one of these offices. Officers shall serve their terms at the pleasure of the Board of Trustees, subject to any rights the officers may have under any contract with the corporation. Officers other than the President need not be members of the Board of Trustees, but the Board of Trustees may require that officers who are not members of the corporation be bonded, for security purposes.

Section 2. Election. The Board of Trustees shall elect all officers of the corporation annually, and such officers shall serve for one year and until their successors are elected and qualified.

Section 3. Vacancies. Any officer may resign at any time upon written notice to the corporation, without prejudice to the rights of the corporation under any contract to which the officer is a party. A vacancy in any office because of death, resignation, removal, disqualification or otherwise shall be filled by the Board of Trustees. The person chosen to fill a vacancy shall serve only for the unexpired portion of the term.

Section 4. President. The President shall preside at all meetings of the Trustees and shall have such other powers and duties as may be prescribed from time to time by

the Board of Trustees. The President may, on behalf of this corporation, hire the Corporation of the Fine Arts Museums or its agents to perform or assist in the performance of the President's duties.

Section 5. Vice President. In the absence or disability of the President, the Vice President shall perform all the duties of the President, and in so acting shall have all the powers of the President. The Vice President shall have such other powers and perform such other duties as delegated by the President or prescribed from time to time by the Board of Trustees.Secretary. The Secretary shall keep a full and complete record of the proceedings of the Board of Trustees, shall keep the seal of the corporation and affix the same to such papers and instruments as may be required in the regular course of business, shall make service of such notices as may be necessary or proper, shall supervise the keeping of the records of the corporation, and shall discharge such other duties as pertain to the office or as prescribed by the Board of Trustees. The Secretary may, on behalf of this corporation, hire the Corporation of the Fine Arts Museums or its agents to perform or assist in the performance of the Secretary's duties.

Section 6. Secretary. The Secretary shall keep a full and complete record of the proceedings of the Board of Trustees, shall keep the seal of the corporation and affix the same to such papers and instruments as may be required in the regular course of business, shall make service of such notices as may be necessary or proper, shall supervise the keeping of the records of the corporation, and shall discharge such other duties as pertain to the office or as prescribed by the Board of Trustees.

~~Section 7. Treasurer.~~ The Treasurer shall receive and safely keep all funds of the corporation, deposit funds of the corporation in such bank(s) as may be designated by the Board of Trustees, and maintain books of account for such funds. Funds of the corporation shall be paid out only on the check of the corporation signed by the President, Vice President, Treasurer, or Secretary or by such officers or individuals as may be designated by the board of Trustees as authorized to sign the same. The Treasurer shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Trustees. The Treasurer may, on behalf of this corporation, hire the Corporation of the Fine Arts Museums or its agents to perform or assist in the performance of the Treasurer's duties.

~~Section 8. Executive Director.~~ The Chief Executive Officer of the Corporation of The Fine Arts Museums is the general manager and Executive Director of this corporation and has, subject to the control of the Board, general supervision, direction, and control of the business and affairs of this corporation.

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## Proposed Revisions to Bylaws of the Fine Arts Museums Foundation

1. Article IV creates five officer positions, the President, Vice President, Executive Director, Secretary and Treasurer. The Bylaws will be amended to eliminate the Executive Director and Vice President positions and to provide that the President, the Secretary and the Treasurer may engage COFAM or its agents to perform or assist in the performance of their duties. The specific language changes are:

(a) The deletion of the words "Executive Director" and "Vice President" from Section 1.

(b) The addition of the following sentence at the end of Section 4: "The President may, on behalf of this corporation, hire the Corporation of the Fine Arts Museums or its agents to perform or assist in the performance of the President's duties."

(c) The deletion of Section 5 (which described the Vice President's duties) and corresponding renumbering of the following sections.

(d) The addition of the following sentence at the end of Section 5 (formerly Section 6): "The Secretary may, on behalf of this corporation, hire the Corporation of the Fine Arts Museums or its agents to perform or assist in the performance of the Secretary's duties."

(e) The addition of the following sentence at the end of Section 6 (formerly Section 7): "The Treasurer may, on behalf of this corporation, hire the Corporation of the Fine Arts Museums or its agents to perform or assist in the performance of the Treasurer's duties."

(f) The deletion of Section 8.

2. A new Article will be added to the Bylaws that states the general expectation of the Foundation that COFAM will be granted rights under the Lease to perform functions the Foundation is permitted to perform under the Lease. The language of the new Article X reads as follows:

X. Assistance. It is anticipated that the Corporation of the Fine Arts Museums will be instrumental in the operation of the M.H. de Young Memorial Museum. To the extent that this corporation is granted rights or obligations in connection with the operation of the M. H. de Young Memorial Museum, the officers of this corporation are authorized (a) to work cooperatively with the Corporation of the Fine Arts Museums, (b) to engage the services of the Corporation of the Fine Arts Museum to operate and to assist with the operation of the M. H. de Young Memorial Museum, and (c) to grant rights to the Corporation of the Fine Arts Museums to ensure the resources of the Corporation of the Fine Arts Museums are put to good use in the operation of the M.H. de Young Memorial Museum. The principal officers of the Corporation of the Fine Arts Museums may serve in advisory roles to this corporation to assist this corporation in its operations.

3. The provisions describing the powers of the Board will be clarified to state that the Board may delegate the management of the activities of the Foundation to any person or persons or entities, provided such activities are subject to the direction of the Board. The following paragraph (e) is added to Section 3 of Article III of the bylaws:

(e) To delegate the management of any activities of this corporation to the Corporation of the Fine Arts Museums or its agents or such other entities that the Board may designate from

time to time, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

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A meeting of the members of The Fine Arts Museums Foundation was held in Gallery 23 at the M. H. de Young Memorial Museum on Thursday, April 12, 2001 at 5:25 p.m.

## **Roll Call**

### Members Present

Cheryl L. Bancroft  
Alvin H. Baum, Jr.  
Alix Phillips Becker  
Jamie Bowles  
T. Robert Burke  
Barbara B. Carleton  
Iris S. Chan  
Barnaby Conrad III  
Marion Moore Cope  
Charles Crocker  
Belva Davis  
Richard P. Essey  
Richard H. Finn  
Morgan Flagg  
Harrison S. Fraker, Jr., FAIA  
Tamara Fritz  
Dr. Rupert Garcia  
Constance Goodyear  
George Hecksher  
Jacqueline Hofer  
Beverly James  
J. Burgess Jamieson  
Ann L. Johnson, M.D.  
Stephen L. Johnson  
William R. Kimball  
Diane B. Lloyd-Butler  
Nancy McBean  
J. Alec Merriam  
Lorna F. Meyer  
Marianne H. Peterson  
Shelagh Rohlen  
George B. Saxe  
Randolph R. Scott  
Burl A. Toler, Sr.  
Sidney R. Unobskey  
Carlos Pedro Villa  
Margaret Wetzel

Members Present (continued...)

Nancy Willis  
David Winton

Members Absent

Del M. Anderson  
George McNear Bowles  
Dagmar dolby  
Richard N. Goldman  
Nancy Hamon  
Terrence Johnson  
Nion McEvoy  
Josie Mooney  
Robert P. Morrow III  
Michael E. O'Neill  
Joy Ou  
Vivian Fei Tsen  
Lonna Wais

Charles Crocker, Foundation President, chaired the membership meeting. In Michele Gutierrez's absence, Judy Gough served as Secretary. A quorum (of at least fifteen) was present.

**Membership** - The Fine Arts Museums Foundation membership is made up of the voting members of the Board of Trustees of The Fine Arts Museums of San Francisco, excluding the two ex-officio members: the Mayor and the President of the Recreation and Park Commission.

**Minutes Approved** - The minutes of the members' meeting of April 13, 2000 and June 8, 2000 unanimously approved.

**Financial Condition and Operations of the Foundation**

The Fine Arts Museums Foundation is a California non-profit corporation, organized to invest the endowment and certain restricted funds of The Fine Arts Museums. The Foundation also serves as the Investment Committee of COFAM. The Foundation Trustees meet quarterly, primarily to review the performance of the managers of the Endowment Fund.

The market value of the Endowment Fund at the close of business on March 30, 2001 was \$75,108,327.

The Foundation continues its policy to use a total return investment strategy, emphasizing long-term growth and capital appreciation. The Foundation's distribution policy is based on a twenty-four month rolling average value, calculated on March 31<sup>st</sup> for succeeding fiscal year beginning on July 1<sup>st</sup>. The rate used for Fiscal Year 2000-2001 is 5.15% with 5% for museum support, and .15% to cover Foundation operating expenses, exclusive of investment manager fees.

### **Election of Trustees**

Mr. Crocker reported that the Foundation Trustees submitted their Trustee nominations to the membership for election. He made the following nomination report for the Fine Arts Museums Foundation Trustee positions:

#### Trustee for Election

Paul Violich (first term)

On motion, duly seconded and carried unanimously, the nominee was elected as a Foundation Trustee.

The terms are for three years and will expire in April 2004.

Trustees may succeed themselves in office; provided, however that no Trustee may be elected for more than three (3) consecutive terms.

The Foundation Board consists of 10 Trustee positions, which include an ex-officio voting position for the President of the Board of Trustees of the Corporation of The Fine Arts Museums. One position will be left vacant at this time.

Other Trustee members are:

	<u>Term Expires</u>
Diane B. Wilsey	Ex-officio member
Richard W. Goss II	October 2001 (first term)
Leonard E. Kingsley	April 2002 (third term)
J. Alec Merriam	April 2003 (first term)
Steven MacGregor Read	April 2003 (first term)
George R. Roberts	April 2002 (second term)
Gail P. Seneca	April 2003 (second term)
Alfred S. Wilsey	April 2002 (third term)

Election To Trustees Emeriti Status

Charles Crocker - Mr. Crocker joined the Board in 1985

Robert A. Mills - Mr. Mills joined the Board in 1989

On motion, duly seconded and carried unanimously, the nominees were elected as Foundation Trustees Emeriti.

**Ratification of the Selection of PricewaterhouseCoopers as Outside Independent Auditors of the Foundation for Fiscal Year 1999-2000.**

Mr. Crocker presented the following resolution, which was unanimously adopted as  
**RESOLUTION NUMBER 14:**

RESOLVED, That the membership of The Fine Arts Museums Foundation does hereby ratify the selection of PricewaterhouseCoopers as this Corporation's independent public accountant for Fiscal Year 1999-2000.

**Adjournment** - There being no further business, the meeting was adjourned at 5:30 p.m.

Submitted by  
Michele Gutierrez  
Secretary to the Foundation

## CORPORATION OF THE FINE ARTS MUSEUMS

DOCUMENTS DEPT.  
DOCUMENTS DEPT.Annual Meeting  
Board of Trustees  
April 11, 2002JUN 10 2002  
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PUBLIC LIBRARY  
PUBLIC LIBRARY**I. Calling of the Meeting to Order and Invitation to Members of the Public to Attend and Participate in Discussions Relating to the New de Young Financing Plan and the Issuance of Tax-Exempt Bonds by the ABAG Finance Authority for NonProfit Corporations (Agenda Item IV., A.) - Diane B. Wilsey, President**

The annual meeting of the Board of Trustees of the Corporation of The Fine Arts Museums was held on Thursday, April 11, 2002, in the Board Room of the California Palace of the Legion of Honor, Lincoln Park, San Francisco. A quorum was present that being one-third of the number of Trustees in office. The meeting was called to order at 5:01 p.m. by Diane B. Wilsey, President, who invited members of the public to attend and participate in discussions relating to the New de Young Financing Plan and the Issuance of Tax-Exempt Bonds by the ABAG Finance Authority for NonProfit Corporations (Agenda Item IV., A.).

President Wilsey presided; Mrs. Gough acted as Secretary.

**II. Calling of the Roll**

The following Trustees were present:

Del M. Anderson  
Cheryl H. Bancroft  
Alvin H. Baum, Jr.  
Alix Phillips Becker  
Jamie Nicol Bowles  
T. Robert Burke  
Barbara B. Carleton  
Barnaby Conrad III  
Marion Moore Cope  
Belva Davis, Vice President/Civic Affairs and Audience Development  
Dagmar Dolby  
Richard P. Essey  
Richard H. Finn  
Morgan Flagg  
John A. Friede  
Constance Goodyear  
George Hecksher  
J. Burgess Jamieson<sup>1</sup>  
Stephen L. Johnson

<sup>1</sup> Contingent upon election to the Board of Trustees of The Fine Arts Museums Foundation at the April 11, 2002 Members Meeting of The Fine Arts Museums Foundation.

Leonard E. Kingsley  
Nancy McBean  
Nion McEvoy  
J. Alec Merriam, Vice President  
Lorna F. Meyer  
Marianne H. Peterson  
Michael H. Podell  
Louise H. Renne  
Shelagh Rohlen, Vice President/Annual Support  
Randolph R. Scott  
Burl A. Toler, Sr.  
Paul Violich, Vice President/Finance  
Nancy Willis  
Diane B. Wilsey, President  
David Winton

On motion, duly seconded and carried unanimously, the following Trustees were excused:

Arlene Ackerman  
George McNear Bowles  
Iris S. Chan  
Harrison S. Fraker, Jr.  
Mara Fritz  
Dr. Rupert Garcia  
Richard N. Goldman  
Richard W. Goss II  
Nancy Hamon  
Jacqueline Hoefer  
Beverly James  
Ann L. Johnson, M.D.  
William R. Kimball  
Diane B. Lloyd-Butler, Vice President/Marketing and Communications  
Josie Mooney  
Robert P. Morrow III  
Bernard Osher<sup>2</sup>  
Joy Ou  
Steven MacGregor Read  
George R. Roberts  
George B. Saxe  
Gail P. Seneca  
Vivian Fei Tsen

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<sup>2</sup> Contingent upon election to the Board of Trustees of The Fine Arts Museums Foundation at the April 11, 2002 Members Meeting of The Fine Arts Museums Foundation.



Carlos Villa  
Lonna Wais

Other Trustees in attendance were:

Robert J. Bransten  
Nan Cook  
Nancee Erickson  
Sylvia Kingsley  
Gail Merriam  
Katharine Doyle Spann  
William A. Stimson  
Phyllis C. Wattis  
Florence Sue Wong

The following Non-Voting Officers were present:

Harry S. Parker III, Chief Executive Officer  
Judy Gough, Executive Secretary

### **III. Report of the President – Diane B. Wilsey**

#### **A. Consideration and Possible Action to Approve the Minutes of the March 14, 2002 Meeting of the Executive Committee of the Board of Trustees**

There being no discussion among the Trustees, the minutes of the March 14, 2002 meeting of the Executive Committee of the Board of Trustees, having been mailed in advance to all Trustees, were unanimously approved.

#### **B. Report on the Plans for a New de Young Museum in Golden Gate Park**

President Wilsey advised that next week the New de Young Building Committee will travel to Basel, Switzerland, and Berlin, Germany. While in Basel, meetings with architect Pierre de Meuron are planned. The Committee will visit the Eberswalde Library, designed by Herzog & de Meuron Architekten AG, and various other museums in Berlin.<sup>3</sup>

#### **C. Report on the Capital Campaign to Build a New de Young Museum in Golden Gate Park**

President Wilsey announced that to date the capital campaign totaled \$154,184,838 in gifts and pledges from 5,671 donors.

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<sup>3</sup> The trip was subsequently canceled.

**D. Other Informational Item**

1. Report on the May 16, 2002 Annual Donor Luncheon Featuring Pierre de Meuron as Keynote Speaker

Architect Pierre de Meuron will be the featured speaker at the Annual Donor Luncheon on May 16, 2002 at the Legion of Honor.

**IV. Director's Report - Harry S. Parker III**

**A. Report on the New de Young Financing Plan Including the Issuance of the Tax-Exempt Bonds by the ABAG Finance Authority for NonProfit Corporations**

The Board of Trustees of The Fine Arts Museums Foundation and the COFAM Executive Committee continue their thoughtful deliberations regarding the New de Young Financing Plan. The Foundation, the primary entity working on the issuance of the tax-exempt bonds, will accept the risk and the obligation to repay the bonds along with COFAM as co-borrowers. Both the Foundation and COFAM Executive Committee are focusing on the ongoing review of the bond insurance documents and agreements. Mr. Parker noted that all of the major donors have agreed to allow their funds to be moved to the New de Young Fund of The Fine Arts Museums Foundation. It is anticipated that discussions regarding the financing of the New de Young Museum will reach a conclusion in approximately one month.

There was no public comment regarding this matter.

**B. Report on COFAM Operating Budget as of February 28, 2002**

In the absence of Steve Dykes, Deputy Director for Administration and Finance, Mr. Parker presented the COFAM Operating Budget Report as of February 28, 2002. At February 28, 2002, the budget was \$556k in the red, compared to the expectation of \$45k negative. The COFAM Reserve was \$2,487k, down \$59k from the month before.

It was noted that the December 13, 2001 Interim Revised Budget plan was set out in Column 3 of the budget number summary. The plan was discussed at the December 2001 Executive Committee meeting. It relies upon propping up the budget with more than \$400k in one-time funds, freezing personnel vacancies, and imposing selected 5% and 10% other expense cuts. While the plan is balanced at year's end on June 30, 2002 before depreciation charges, it will be difficult to right a poor first half of the fiscal year, cope with a one-museum operation, and ride out the recession. A third quarter (period ending March 31, 2002) budget review is underway, including revised projections for year-end at June 30, 2002.

At \$5,065k support was up \$596k due to the use of a one-time \$300k unrestricted gift, \$100k more from Goldsmith Fund income, and \$150k from new de Young Museum funds to offset a contribution to the Yes on Proposition 40 campaign for cultural and recreational facilities. In the Annual Contributions line, Associates donations (\$5k and up) were running ahead, but Friends (\$1k - \$2.5k) lagged budget, as did the Business Council. At \$3,465k revenues were off target by \$752k in the same areas since last fall.

At \$4,949k personnel expenses ran \$95k below budget due to freezing five vacant fulltime positions plus savings from employees voluntarily reducing their workweeks. Exhibit Group personnel costs were down and largely offset by an increase in Exhibit Program Temporary Labor – the result of using the additional \$100k of Goldsmith Fund income to pay for regular operating personnel expenses attributable to the *Dada* show to help balance the budget.

At \$3,907k other expenses were \$312k over budget. Exhibit costs were \$166k of this overage. The cost of returning Thiebaud exhibition art from the Whitney Museum of American Art to lenders went up about \$118k due to using truck transport rather than airplanes after September 11<sup>th</sup>. Front-end costs for the road tour of *American Accents* were running \$61k higher than expected and were covered with Root endowment income for American art. The Administration General line was up \$129k in February and \$177k year-to-date because of the \$150k Proposition 40 contribution. Membership costs were down \$97k partially offsetting the drop in dues income. The overage for offsite facilities was included in the interim budget revision to correct a mistake in the original budget. The remaining other expense variations from budget are expected to even out before year's end and track interim revised budget savings goals.

**C. Consideration and Possible Action to Adopt a Resolution Authorizing the Transfer of Stock**

Mr. Parker introduced the following resolution:

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums (COFAM) does hereby authorize that any two of the following individuals are fully authorized and empowered to sell, assign, transfer, and deliver any and all shares of stock, bonds, debentures, notes, evidences of indebtedness, or other securities now or hereafter standing in the name of or owned by this Corporation and to make, execute, and deliver any and all written instruments necessary or proper to effectuate the authority hereby conferred, including execution of all written instructions necessary for our nominees, Wells Fargo Bank, Dresdner RCM Global Investors, and Merrill Lynch, to implement the transaction.

Authorized Individuals:

Harry S. Parker III, Chief Executive Officer  
Stephen E. Dykes, Treasurer  
Barbara Boucke, Deputy Director for Development.  
Robert M. Cullison, Controller

On motion, duly seconded, there was no discussion among Trustees. The Board of Trustees voted unanimously to adopt the above resolution as **Board Resolution 308**.

**D. Consideration and Possible Action to Adopt a Resolution Amending the Bylaws of the Corporation of The Fine Arts Museums to Provide for a Variable Number of Trustees Serving on the Executive Committee of the Corporation of The Fine Arts Museums**

Mr. Parker advised that the current Bylaws of the Corporation of The Fine Arts Museums (COFAM) set the number of trustees serving on the COFAM Executive Committee at fifteen. In the future, should the COFAM Board of Trustees elect to increase the number of trustees serving on the COFAM Executive Committee, approval of the proposed amendment would permit this to occur.

The following resolution was presented by Mr. Parker:

WHEREAS, The composition of the Executive Committee of the Corporation of The Fine Arts Museums (COFAM) is set at fifteen Trustees as stipulated in Article IV, Section 12, c., of the Bylaws of the Corporation of The Fine Arts Museums; and

WHEREAS, The Board of Trustees of the Fine Arts Museums of San Francisco at its meeting on April 11, 2002 consented to amending Article IV, Section 12, c., of the COFAM Bylaws as stated below; and

WHEREAS, At its April 11, 2002 meeting, the COFAM Board of Trustees may vote to elect additional Trustees to serve on the Executive Committee such that the total number of Trustees serving on the Executive Committee may be greater than fifteen; now, therefore, be it

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums does hereby amend Article IV, Section 12, c., of the COFAM Bylaws as follows:

(c) EXECUTIVE COMMITTEE.<sup>4</sup>

(1) Composition. This Corporation shall have an Executive Committee composed of **at least fifteen Trustees, the exact number to be set by the Corporation's Board of Trustees from time to time.** The President and each Vice President of this Corporation and the members of the Executive Committee of the Fine Arts Museums of San Francisco shall be members of the Committee. Other members shall be elected annually by this Corporation's Board of Trustees.

On motion, duly seconded, there was no discussion among Trustees. The Board of Trustees voted unanimously to adopt the above resolution amending the Bylaws of the

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<sup>4</sup> Additional language in bold type.

Corporation of The Fine Arts Museums to provide for a variable number of Trustees serving on the COFAM Executive Committee as **Board Resolution 309**.

**V. Report of the Nominating Committee – Nion McEvoy, Chair**

**A. Consideration and Possible Action to Elect the Following Officers to a Term of One Year**

Chair McEvoy reported that the Nominating Committee has recommended the following as officers of the Corporation of The Fine Arts Museums for a one year term:

Diane B. Wilsey, President  
Belva Davis, Vice President for Civic Affairs and Audience Development  
Diane B. Lloyd-Butler, Vice President for Marketing and Communications  
J. Alec Merriam, Vice President  
Shelagh Rohlen, Vice President for Annual Support  
Paul Violich, Vice President for Finance  
Harry S. Parker III, Chief Executive Officer  
Steve Dykes, Treasurer  
Judy Gough, Secretary

On motion, duly seconded, there was no discussion among the Trustees. The Board of Trustees voted unanimously to elect the nominees to one year terms to expire in April 2002.

**B. Consideration and Possible Action to Elect the Following Trustees to the COFAM Executive Committee for a Term of One Year**

The four nominees for election to the COFAM Executive Committee were:

Richard W. Goss II  
J. Burgess Jamieson  
Steven MacGregor Read  
Paul Violich

On motion, duly seconded, there was no discussion among the Trustees. The Board of Trustees voted unanimously to elect the nominees to one year terms to expire in April 2002.

The five officers and eight members of the Executive Committee of the Board of Trustees of the Fine Arts Museums of San Francisco also serve on the Executive Committee of the Board of Trustees of the Corporation of The Fine Arts Museums.

**C. Consideration and Possible Action to Adopt a Resolution Setting the Number of Trustee Positions**

Chair McEvoy read the following resolution:

WHEREAS, On June 14, 1990, the Corporation of The Fine Arts Museums By-Laws were amended to provide for a variable number of Trustees; and

WHEREAS, The amendment stated that the authorized number of Trustees shall not be less than thirty-eight and not more than seventy-five, the exact authorized number to be set by the Board of Trustees from time to time; now, therefore, be it

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums does hereby set the number of Trustees at fifty-eight (contingent upon there being nine Trustees on the Board of Trustees of The Fine Arts Museums Foundation following the meeting of the Members of The Fine Arts Museums Foundation on April 11, 2002) until such number is changed by this Board.

On motion, duly seconded, there was no discussion among Trustees. The Board of Trustees voted unanimously to adopt the above resolution as **Board Resolution 310**.

**D. Consideration and Possible Action to Adopt a Resolution Setting the Number of Trustees on the Executive Committee of the Corporation of The Fine Arts Museums**

Chair McEvoy read the following resolution:

WHEREAS, On April 11, 2002, the Corporation of The Fine Arts Museums Bylaws were amended to provide for a variable number of Trustees to serve on the COFAM Executive Committee; and

WHEREAS, The amendment stated that the authorized number of Trustees shall be at least fifteen Trustees, the exact authorized number to be set by the Corporation's Board of Trustees from time to time; now, therefore, be it

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums does hereby set the number of Trustees serving on the COFAM Executive Committee at seventeen until such number is changed by this Board.

On motion, duly seconded, there was no discussion among Trustees. The Board of Trustees voted unanimously to adopt the above resolution as **Board Resolution 311**.



**VI. Report of the Annual Support Committee – Shelagh Rohlen, Chair and Vice President**

Chair Rohlen noted that the COFAM operating budget is currently running \$556k behind budget projections and emphasized the importance of increasing museum membership and giving at every level of participation. A donor prospect sheet was distributed to each Trustee along with the request that Trustees assist in identifying new donors. On June 17, 2002, a cultivation dinner at the Legion of Honor is planned in conjunction with the exhibition, *Michael Sweerts, 1618-1664: Flemish Master of the Sacred and Profane*.

**VII. Report of the Fine Arts Museums Foundation – Paul Violich, Vice President, for Richard W. Goss II, President**

In the absence of President Goss, Vice President Violich reported that at the close of business on April 4, 2002, the endowment portfolio was valued at \$71,159,749 following the repayment of the loan to the Osher Sculpture Garden Fund in the amount of \$3,257,759. The loan to the Osher Sculpture Garden Fund represents the original loan of \$2 million to install the old de Young Museum seismic bracing plus interest. The endowment portfolio was invested 69.15% in equities, 25.15% in fixed income, and 5.7% in alternative investments.

**VIII. Annual Reports of Supporting Organizations**

As is customary at the annual meeting, representatives of the supporting organizations of the Fine arts Museums of San Francisco presented verbal and/or written reports. Written reports are attached as Appendix I for the record.

- A. Achenbach Graphic Arts Council – Susan Land, Second Vice Chair<sup>4</sup>
- B. American Art Study Center Advisory Council - Nancy Boas, Chair
- C. Ancient Hellenic Arts Council - Michael Zagaris, Acting President
- D. Artist Book Council - Emily Marcus, Chair
- E. ArtPoint – Danielle Machotka, Chair
- F. The Docent Council – Jack Byers, Chair<sup>4</sup>
- G. European Decorative Arts Council - Adolphus Andrews, Jr., Chair

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<sup>4</sup> Presented verbal report.

- H. Friends of New Art - Robert J. Bransten, Program Chair<sup>4</sup>
- I. Belvedere-Tiburon Auxiliary – Lois Cannady, Chair<sup>4</sup>
- J. Hillsborough Auxiliary – Maria Evans, Chair
- K. Ross Auxiliary – Michael Moore, Chair
- L. San Francisco Auxiliary - Jane Forbes, Chair
  - 1. Bouquets to Art – Jane Hickerson, Susan Mooradian, Marcia Forman<sup>4</sup>,  
Co-Chairs
- M. Flower Committee – Lynn Scher, Chair
- N. National Council – Gail Merriam, Co-Chair
- O. San Francisco Ceramic Circle - Colin Knight, President
- P. Textile Arts Council – Margaret Gordon<sup>4</sup> for Gretchen Turner, Chair
- Q. Volunteer Council – Sue Surges, Steering Committee<sup>4</sup>

**IX. Adjournment – Diane B. Wilsey, President**

There being no further business, President Wilsey adjourned the meeting at 5:30 p.m.

Respectfully submitted,

Judy Gough  
Executive Secretary

Note: These minutes set forth all actions taken up by the Board of Trustees on matters stated, but not necessarily in the order in which the matters were considered.

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<sup>4</sup>Presented verbal report.



## Appendix I

### CORPORATION OF THE FINE ARTS MUSEUMS

#### Board of Trustees

April 11, 2002

#### Reports of Supporting Organizations

- A. Achenbach Graphic Arts Council – Susan Land, Second Vice Chair\*
- B. American Art Study Center Advisory Council - Nancy Boas, Chair
- C. Ancient Hellenic Arts Council - Michael Zagaris, Acting President
- D. Artist Book Council - Emily Marcus, Chair
- E. ArtPoint – Danielle Machotka, Chair
- F. The Docent Council – Jack Byers, Chair\*
- G. European Decorative Arts Council - Adolphus Andrews, Jr., Chair
- H. Friends of New Art - Robert J. Bransten, Program Chair\*
- I. Belvedere-Tiburon Auxiliary – Lois Cannady, Chair\*
- J. Hillsborough Auxiliary – Maria Evans, Chair
- K. Ross Auxiliary – Michael Moore, Chair
- L. San Francisco Auxiliary - Jane Forbes, Chair
  - 1. Bouquets to Art – Jane Hickerson, Susan Mooradian, Marcia Forman\*, Co-Chairs
- M. Flower Committee – Lynn Scher, Chair
- N. National Council – Gail Merriam, Co-Chair
- O. San Francisco Ceramic Circle - Colin Knight, President\*
- P. Textile Arts Council – Margaret Gordon\* for Gretchen Turner, Chair
- Q. Volunteer Council – Sue Surges, Steering Committee\*

\*Presented verbal report.



# ANNUAL REPORT

## For FAMSF Board of Trustees

April 11, 2002

The Achenbach Graphic Arts Council (AGAC) is completing another active, successful year providing vigorous support to the Prints and Drawings Department of the Fine Arts Museums of San Francisco. The AGAC, with almost 300 members, promotes appreciation of works of art on paper by a variety of programs and activities--including research activities, education programs, financial support, and art acquisitions.

Support for the Prints and Drawings Department has included purchase this year of five new works of art for the Collection. This year's acquisitions included: *L'apparition mediminique* (1885), a mezzotint by James Tissot; *The Palaces* (1879), the only known impression pulled from the cancelled plate by James A. M. Whistler; *Self-Portrait* (1778), an etching, drypoint, and engraving by Jean-Pierre Norblin de la Gourdine; and *A Memorial Portrait of Onoie Kikugoro IV, 1860*, a color woodblock print by Tsukioka Yoshitoshi.

In addition, the AGAC purchased, with support from individual contributors, a 10 ft by 10 ft woodcut by Jeff King, which was presented to the Achenbach in Memory of Nancy Constone, who died on November 1, 2001. Nancy was a generous and wonderful friend of AGAC and is greatly missed.

Under the superb leadership of Second Vice Chair Susan Land, we have provided an impressive array of Programs, Special Events, and Collectors Circle Events as listed below:

**PROGRAMS:** During the past year beginning in Summer 2001 our Program Chair, Pat Covert, has coordinated an amazing array of programs, which are free to all of our AGAC members, featuring lectures, tours and/or previews:

- *Indian Miniatures in the Achenbach Collection* at the Legion of Honor with Jan Lewis Slavid.  
(\*Evening event.)
- *East/West—Influences between of Japanese Prints and Western Art* at the Legion of Honor with Curator in Charge Robert Flynn Johnson. (\*Evening event.)
- *Masterworks in Watercolor from the Achenbach Collection* at the Legion of Honor with Curator Karin Breuer. (\*Evening event.)
- *Rockwell Kent: Hidden Treasures* with George Krevsky, Goerge Krevsky Gallery, San Francisco.
- *Fine Print Auction Preview* with Judith Eurich, Butterfields, San Francisco.
- *Ansel Adams at 100* with Sandra Phillips at the San Francisco Museum of Modern Art.
- *Extra Art* with Ted Purves at the CCA C Institute, San Francisco.
- *Preview of Prints San Francisco and AGAC Reception* at Fort Mason. Also, "Curator's Choice" by Robert Flynn Johnson at Fort Mason.
- *San Francisco International Art Exposition* at Fort Mason.
- *Found—Nigel Poor's Photographs* with Cathy Kimball at the San Jose Institute of Contemporary Art.
- *First Impressions: The Paulson Press* with Curator Margie Maynard at the San Jose Museum of Art.
- *Big Idea* and *In 'toon With Time* with Director Signe Mayfield at the Palo Alto Art Center.

- *Aerial Muse: The Art of Yvonne Jacquette* with Hilarie Faberman at the Cantor Center for Visual Arts at Stanford.
- *American Color Woodcuts 1900 to 1950 from the Achenbach Collection* with Curator Karin Breuer at the Legion. (\*Evening event.)
- *Fine Art Press Demonstration* with David Salgado, Master Printer at Trillium Press, Brisbane.
- *Discussion of Recent Acquisitions* with Curator Robert Flynn Johnson at the Legion.

\*Evening events: AGAC events scheduled to coincide with extended hours at the Legion.

The programs also included the following exhibition walk-throughs or receptions for exhibitions at our museum:

- *Artists' Books in the Modern Era: 1870-2000* walk-through with Curator-in-Charge Robert Flynn Johnson at the Legion.
- *Recent Acquisitions of Contemporary California Works on Paper*, opening reception at the Legion. (Reception organized by AGAC Board Member Eric Theis.)
- *Richard Diebenkorn: Clubs and Spades* walk-through with Curator Karen Breuer at the Legion.
- *Recent Acquisitions of Contemporary Works on Paper, Part Two: Everywhere but California* walk-through with Robert Flynn Johnson at the Legion.

**SPECIAL EVENTS.** Emily Fine, Committee Chair, organized a terrific series of special events for our upper category members. Examples of these events include: a Christmas Party for Donors and Patrons at the home of Robert Flynn Johnson; a visit to a member's home for Donors and Patrons to meet a distinguished scholar of Japanese art from London, who gave an illustrated talk on Japanese prints; and, for upper category members, a trip by bus to Sonoma County to view several private collections and visits to East Side Editions and the Hayes Center.

**COLLECTORS CIRCLE.** Our Collectors Circle, open to AGAC members in the three upper membership categories, has been co-chaired by Bill Clark and Martha Rosenberg. The Collectors Circle events are held periodically in the homes of individual collectors. Collectors Circle events were held this year in six homes: including the homes of Dr. and Mrs. Charles Fracchia, Carol Cohen, Susan Land, Mr. and Mrs. George Krevsky, Mr. and Mrs. Michael Powanda and Pasquale Iannetti. In addition, a walkthrough was held to view the private art collection of Mr. and Mrs. Fisher at the Gap building in San Francisco. In addition, the Collectors Circle Committee—in cooperation with the Membership Committee—continues to sponsor the annual Show and Tell Open House, held in September at Fort Mason. AGAC members served wine and hors d'oeuvres and displayed works from their own collections for the enjoyment of prospective members and members at all membership levels.

Again this year, Curator-in-Charge Robert Flynn Johnson conducted his extremely popular 10-week series of seminars using the Museums' collection of works on paper. This year's sessions surveyed the wealth and breadth of the Collection by concentrating on a single subject area each week. Class size is limited because of the use of original art. Enrollment was full again this year.

Each year, the AGAC sponsors a benefit reception and preview in connection with the *Prints San Francisco*, California's longest established fine print fair. The preview even was organized this year by Chair Larry Warnock and his Print Fair Committee. The evening was a huge success offering an opportunity to preview the collections and to enjoy wine and light hors d'oeuvres. In addition, Curator-in-Charge Robert Flynn Johnson selected "Curator's Choice"

works from the dealers' inventories that he considered of special interest and worthy of acquisition. The event this year raised over six thousand dollars for the Achenbach Foundation.

The AGAC remains financially solid under the guidance and care of Treasurer Ellie Miller, who is Chair of the Budget Committee.

Our highly respected Newsletter is produced three times each year and receives wide acclaim for its high quality and appearance. The AGAC newsletter is produced through the efforts of Board Member and Editor, Charles Schlossman. We are grateful to Dr. Schlossman for his continued support in editing and publishing the Newsletter.

Bill Clark, Liaison Committee Chair, continues to maintain contact with more than eight other graphic arts support organizations in the U.S. and Canada to compare notes and exchange ideas. Bill Clark remains a constant source of ideas and loyal support for our organization.

Membership Chair Jim Clark, continues to work with our ever-efficient and loyal Administrative Assistant, Candace Huey, to improve our membership records and to better focus on the diverse needs and interests of our membership.

The AGAC trip to Washington, DC, in November--planned last year by Carole Cohen--was a resounding success. Travel Chair Joyce Crosetti has developed an exciting four-day trip to Philadelphia this autumn to include visits to the Philadelphia Museum of Art, the Barnes Foundation, the Pennsylvania Academy of Fine Art, Independence Hall and the Woodmere.

Staffed by AGAC volunteers, the Hoefer Print Study Room is open Saturdays to introduce the public to the museum's computer database and the Collection. Volunteers are coordinated by AGAC Member Carolyn Gaye, Chair of the Study Room Volunteer Committee.

The AGAC Print Sales efforts continue to produce great results under the guidance of Committee Chair Oliver Glover, who also chairs our Publicity Committee.

Our website, [www.achenbach.org](http://www.achenbach.org) (linked to Thinker.org) continues to be improved by Website Chair Larry Warnock.

The AGAC looks forward to continuing its support of the FAMSF Prints and Drawings Department, the print community and Fine Arts Museums. And we congratulate the Board of Trustees and COFAM Staff on the wonderful progress toward construction of the New de Young.

Respectfully submitted,



Farrel Schell, Chair AGAC

The Advisory Council of the American Art Study Center  
M.H. de Young Memorial Museum  
Annual Report  
April 2002

The Advisory Council of the American Art Study Center's last meeting occurred during the closure of the M.H. de Young Memorial Museum. At that time, the Advisory Council unanimously endorsed the Fine Arts Museums' commitment to keep the full resources of the American Art Study Center, as well as selected works from the permanent collection of American Art, accessible to the public.

Fulfilling this commitment, the Bothin American Art Library and the Smithsonian Institution's Archives of American Art microfilm collection are still available for use by scholars and students at the interim de Young's off-site location at 245A South Spruce Avenue in South San Francisco. Despite this temporary change of location, the use of these essential resources has remained strong, thus reaffirming their importance for American art historians.

Additionally, selected works of art from the de Young's permanent collection have been placed on loan to the Berkeley Art Museum, University of California; the Oakland Museum of California; and the Iris & B. Gerald Cantor Center for Visual Arts, Stanford University. Eighty-seven additional works from the de Young Museum's permanent collection of American Art will be included in the traveling exhibition "American Accents, 1670-1945: Masterworks from the Fine Arts Museums of San Francisco, Featuring the Rockefeller Collection." Curated by Associate Curator Daniell Cornell, who has authored the accompanying catalogue, this traveling exhibition will commence a national tour this year in Mobile, Alabama.

The Advisory Council plans to convene this fall to review the architectural plans for the new de Young Museum, and the designs for the new, improved American Art Study Center in the Education Tower. Curator Timothy Anglin Burgard will present his conceptual plans for the reinstallation of the permanent collection of American Art. Among these works will be Gottardo Piazzoni's San Francisco Public Library murals, whose preservation was strongly supported by the Advisory Council. Advisory Council members will be invited to draw upon their professional expertise to offer constructive suggestions regarding the American Art components of the new de Young Museum. Working in support of the Fine Arts Museums, we hope to ensure the continued success of both the American Art Study Center and the American Art collection.

Respectfully submitted,

*Nancy Boas*  
Nancy Boas, Chair



## ANCIENT HELLENIC ARTS COUNCIL 2001-2002

Founded: October 1997 (with the assistance of The Elios Society)

Objective: To support the Ancient Art Department at the Fine Arts Museums of San Francisco

Current membership: 126 (as of April 2002)

Balance: \$21,037.58 (as of 28 February 2002)

Officers: Michael Zagaris (Acting President)  
Renée Dreyfus (Curator of Ancient Art)  
Louise Chu (Scribe and Treasurer)

Statement: This group supports the Department of Ancient Art. Membership is open to all who share a concern for ancient art and preservation and promotion of Mediterranean and ancient Near Eastern antiquities and culture. Its program is varied and includes lectures by noted archaeologists, curators, and historians; exclusive tours of the permanent collection and special exhibitions; and travel to other museums and ancient sites.

**EVENTS**  
**FALL 2001–SPRING 2002**

**Lectures**

Gould Theater  
California Palace of the Legion of Honor

Sunday, 7 October 2002, 2PM  
Dr. Evelyn Bell  
San Jose State University  
*Divine Transformations:  
Greek Gods and Heroes Reinvented in Etruscan Art*

Saturday, 20 April 2002, 10AM  
Professor Pierre Briant  
Collège de France, Paris  
*The Story of Dara and Iskander:  
Darius Dying in the Arms of Alexander*

Saturday, 1 June 2002, 2PM  
Dr. Renée Dreyfus  
Curator of Ancient Art and Interpretation  
Fine Arts Museums of San Francisco  
*Eternal Egypt and Its Artistic Legacy*



ARTIST BOOK COUNCIL:

Fall 2001 / Spring 2002

### Events and Activities.

The Artist Book Council has quarterly meetings with speakers and displays of artists books.

Our first event for the Fall 2001 season was the celebration of the opening of the exhibition *Artists' Books in the Modern Era 1870-2000, The Reva and David Logan Collection of Illustrated Books* at the California Palace of the Legion of Honor. The catalogue published by the Museums for this exhibition has received numerous awards. On the night of the opening reception, the first annual Reva and David Logan lecture was given by Robert Rainwater of the New York Public Library. The next evening, a dinner was given by the Fine Arts Museums in honor of Reva and David Logan at the California Palace of the Legion of Honor.

On December 5th, a Wayzgoose 2001 event (a fellowship of bibliophiles who meet for a convivial evening of eating, drinking and general merriment) was hosted by the Artist Book Council of the Fine Arts Museums of San Francisco and the Achenbach Graphic Arts Council in association with The Associates of the Stanford University Libraries, The Colophon Club, The Book Club of California, The Friends of the Bancroft Library, The Friends of the Gleeson Library, The Roxburghe Club of San Francisco, and the San Francisco Center for the Book. More than 350 fellow book enthusiasts gathered at the California Palace of the Legion of Honor to view the exhibition of the Reva and David Logan Collection of Illustrated Books. A printing demonstration was given by Peter Koch which produced a Wayzgoose 2001 keepsake for those in attendance.

The Artist Book Council's 8th Annual Dinner was held in February 2002. Robert G. Trujillo, Frances & Charles Field Curator of Special Collections, Stanford University Libraries, and Peter Rutledge Koch, printer and publisher of fine press books, were the honored guests at the dinner in recognition of their long-standing commitment to supporting the acquisition, exhibition, and publishing of Artists' Books and fine press illustrated books. There was a display of newly published Artists' Books by fine art press members and selections from the Museums' Collection of recently acquired Artists' Books. The event received press coverage in the *San Francisco Examiner*.

The Spring Quarterly Meeting of the Artist Book Council was held at the home of Masako Mitsui who shared with us an extraordinary selection of 18th and 19th century Japanese artists' sketchbooks, hand-held scrolls, and other unusual books from the Kyoto area.

For all Artist Book Council events special invitations, commemorative menus and keepsakes were printed by our fine art press members.

## Membership.

A special effort has been made to increase the membership of the Artist Book Council, resulting in seven (7) new members this year, and five (5) increased membership levels. Current Artists Book Council membership for 2001-2002 includes a total of forty-six (46) members in the following categories:

- **Two (2) Patron members**, at \$1,000 annual dues
- **Seven (7) Sustaining members**, at \$750 annual dues
- **Fifteen (15) Basic members**, at \$250 annual dues
- **Eight (8) "Longevity" members**, consisting of major donors to the collection
- **Fourteen (14) fine art press "in-kind" members**, who contribute printing of keepsakes and invitations, and make artists books available as a "thank you" gift for upper category members.

Submitted by:

Emily Marcus, Chair  
Artist Book Council

**Membership**

California Palace of the Legion of Honor  
M.H. de Young Memorial Museum

March 25, 2002

Board of Trustees  
Fine Arts Museums of San Francisco  
233 Post Street  
San Francisco, CA 94108-5003

2002 Board of Trustees Annual Meeting Report

Dear Board of Trustees,

ArtPoint has enjoyed a year of tremendous growth and expansion of our offerings. I am happy to report the following highlights:

- A membership of approximately 750.
- A board that has doubled in size since 2000-2001. This talented and energetic group is producing a diverse array of events that are well attended and promote membership sign-ups.
- Expanded functions on our Web site, which is clearly being used by both members and non-members to stay informed about events and exhibitions ([www.artpoint.org](http://www.artpoint.org)).
- A series of successful events of all sizes that are drawing large crowds.

*First Tuesday at the Legion*—Our August, 2001 event featured a popular tour of the new tapestries.

*LINC Gallery and Vintage Poster Fair*—We had two crowded events in October: one at the LINC Real Art Gallery celebrating the artist Yayoi Kusama, and one at the Vintage Poster Fair at Fort Mason, which acted as an extension of our Toulouse-Lautrec event in March 2001.

*Hang Gallery*—A panel discussion on art collecting and a reception, both hosted by the Hang Gallery.

*W*—An elegant evening at the W Hotel in December, with food, wine, entertainment, and a silent auction featuring donated works by Henry Jackson and Rex Ray, among others.

*Japan at the Dawn of the Modern Age*—To start off the new year, ArtPoint and the Presidio Officers' Club Exhibition Hall co-hosted an evening at their exhibition of wood block prints from the Meiji era.

*Tour of Spruce Ave. facility*—ArtPoint members thoroughly enjoyed a tour of the interim facility in February, generously given on a Saturday morning by Bob Futernick and Elisabeth Cornu.

*An evening at the Arts Education Center*—About twenty members enjoyed an evening of creating their own art, practicing figure drawing under the helpful eye of Henry Jackson in mid-March.

*Gallery trolley crawl*—In April, we will visit three downtown galleries by trolley, with refreshments and discussions at each one.

*New Eyes*—A grand gala and fundraiser in May to support the new deYoung. We have assembled an incredible array of entertainment and refreshments; an extensive marketing campaign including billboards, radio and perhaps television will ensure that this event reaches a new audience as well as our already loyal one.

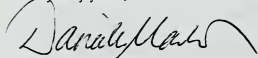
*Eternal Egypt*—Another large party at the Legion of Honor in August, this one to celebrate the exhibition, *Eternal Egypt*.

With the closing of the deYoung, ArtPoint is finding other arts-related venues in which to hold its events and continue to expose its members to fine arts of all eras and genres. The experience has been fascinating so far, and we look forward to continuing the exploration, while also holding events at the Legion of Honor and other museum facilities.

Our mission is to promote awareness, interest, and long-term commitment to the Fine Arts Museums of San Francisco among young professionals. We plan to continue to offer events that attract people to ArtPoint and the Fine Arts Museums.

On behalf of ArtPoint, I would like to thank the Fine Arts Museums for their continuing support, particularly the assistance of Gina Tan and Jeff Petrie, whose efforts help us tremendously in keeping ArtPoint a vital, lively part of life in the San Francisco Bay Area.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Danielle Machotka', with a stylized, flowing script.

Danielle Machotka  
Chair, ArtPoint

**Docent Council**

California Palace of the Legion of Honor  
M.H. de Young Memorial Museum

April 13, 2002

To: Board of Trustees, Fine Arts Museums of San Francisco  
From: Jack Byers, Docent Council Chair (2001-2003) *Byers*  
Re: **DOCENT COUNCIL ANNUAL REPORT - April 13, 2002**

**Overview:**

The support and cooperation of the museum curators, staff, and administration is greatly appreciated by the Docent Council. Enthusiasm remains high in these uncertain times. The Chair of the WES (Western) area of the Docent Council has stated: "Basically we've had a double whammy - loss of the de Young and 9/11." Total audience for all docent activities, July 2001 through February 2002, is 20301 (compared with 31548 the previous year). Tour attendance declined sharply following closure of the de Young. It then plunged further in the aftermath of the 9/11/01 disaster: declining from a total average audience of 5,285 per month (July - October 2001) to 2,105 in September and a slight increase to 2,423 in December 2001. With the opening in 2002 of the Diebenkorn, Miro, New Guinea and Dada/Surrealism exhibitions, tour attendance has increased as can be seen in February's tour attendance of 3057; final figures for March should be even higher. The Docent Council maintains a full schedule of activities and plans are progressing for an ambitious training program for new docents - a program which will prepare docents in all of the major areas covered by the collections of the de Young and Legion of Honor museums: Africa, Oceania, Indonesia, Americas, Ancient Art and western European.

**AOA:** The presence of the arts of Africa, Oceania and the Americas has been necessarily limited at the Legion of Honor. Still, regularly-scheduled tours are given of objects displayed in Gallery 12 and in the cases located in the lower hallway. Docents have been thrilled by the public and critical acclaim given to "Masterworks of New Guinea Art: Selections from the Friede Collection." The public has responded with great interest to this exhibition in Gallery 6 and AOA docents are delighted that this exhibition has been extended from an April 30 closing date to June 30. Total audience, 7/01-2/02: 2280.

**WES:** Tour attendance for February 2002 (excluding AOA) was 3057 and marked the first time in fiscal 2001-2002 that tour attendance exceeded 3000. The Henry Moore exhibition had 2,345 persons attending tours. The Dada/Surrealism tours had an audience of 832 in February and attendance is proving to be strong in March. Expectations are high for tour attendance of the "Eternal Egypt" exhibition opening 8/10/02.

An outreach program in American history/American art has docents going to schools in the Bay Area with slides of the American collection and discussing the works and their place in American history. Prior to closure of the de Young, students went to the museum. Now, in effect, we take part of the museum to the schools.

**Interaction with Education Department:** AOA docents have begun a new program of "Storytelling" at the de Young Art Center. Designed for elementary school groups, folk tales are told by docents and the children interact with "touchable" art objects provided by the Education staff and this is followed by completion of an art project, designed and executed by the children. AOA and WES docents also interact with Education programs, such as the new adult program in Dada/Surrealist art.

**Activities:**

**Touring:** There are presently 155 docents participating in activities which include giving tours of the permanent collections and special exhibitions to public and school groups. Tours are also given in languages other than English (French, Italian, Spanish, German, Russian, and Cantonese). "Access" tours are given for persons with physical or mental disabilities.

School tours, given to children from private and public schools throughout the Bay Area, remain one of our most important activities. As of February 2002, docents have given 112 tours to 2708 students in the current school year.

**Community Speakers Program:** Slide lectures are given throughout the year at the museum and in other venues throughout the Bay Area. Docents prepare and give the lectures, related to the special exhibitions or the permanent collections. Audiences average 428 per month, for about twelve lectures given each month.

**Advanced Training:** Docents attend weekly lectures in ongoing training for giving tours of special exhibitions, as well as the permanent collections. Recently, 16 AOA docents completed an intensive training program in the WES area which was organized by WES docents, many of whom participated actively in the training. The trainees are now qualified as both AOA and WES docents and give tours in both areas.

**New Docent Training Program:**

A committee of AOA and WES docents (chaired by former Docent Council Chair, Lenore Heffernan) has formulated a program for training new docents, needed to offset the numbers of docents who have retired or otherwise left the Docent Council. There is also a need for additional docents to tour the new de Young when it opens in 2005. The proposed training program is now being finalized for approval by the full membership of the Docent Council and museum administration. The training program stresses a cross-cultural approach, enabling docents to give tours in all areas of both the Legion of Honor and de Young museums. The goal is to create a large body of Fine Arts Museums Docents. We hope to begin training in the Fall of 2003 and will be seeking applicants for the program in the Fall of 2002.

**Docent Council Memorial Fund:**

Established to enable relative and friends of deceased docents to make contributions to the museum that would benefit programs offered by the Docent Council, the total amount in the Memorial Fund is presently \$8,467. The funds will be held until the new de Young opens.

**New de Young Capital Campaign:**

As of 4/13/02, contributions to the New de Young Capital Campaign made by Active and Supporting Docents total \$499,499. The dedication of Docents to the Fine Arts Museums of San Francisco is evident in their support of this campaign, as well as in their activities described herein.

cc: Harry S. Parker III, Director, Fine Arts Museums of San Francisco  
Sheila Pressley, Acting Director of Education

Jack Byers  
Docent Council Chair  
2002-2003

## EUROPEAN DECORATIVE ARTS COUNCIL

This has been an active and productive year for the European Decorative Arts Council.

First, Lindsay Joost has taken the place of Doris Magowan as Co-chair of the Council. Doris founded the council and will be greatly missed, but we are very fortunate to have Lindsay in this role.

The Council's purpose is to build interest in the decorative arts, and, in so doing, support for the Museums. We had four events last year; lectures, tours of private collections, and dinner, culminating in a visit to the Coulters outstanding collection in December.

We have a busy program planned for this year including a lecture by Gillian Wilson, Curator of Decorative Arts at the Getty Museum on April 16<sup>th</sup>.

The council currently has approximately 100 members which is close to our capacity. Annual membership is \$250. We have a cash balance of \$26,000 which means that we will be able to acquire an object for the Museums during the year, as we have done twice before.

Adolphus Andrews, Jr.  
Co-Chair



## FRIENDS OF NEW ART

April 11, 2002

This year the Friends of New Art annual membership dues were increased from \$500 to \$750. The new fee structure was introduced to meet rising costs of catering, bus rentals, and the like and especially to build a larger fund for new art acquisitions. Membership now stands at 47 and we hope to increase that by not more than 15 or 20.

Activities enjoyed by our members over the past year include:

- May 2001 Bus tour to the Napa Valley to visit the Dominus Winery, designed by Herzog and de Meuron, architects for the new de Young; and to see the private collection of contemporary art by Los Angeles artists at the home of Louise Nequist.
- June 2001 Walk-through of the Henry Moore exhibition by Steven Nash, curator for the San Francisco venue.
- Sept. 2001 Bus tour to the East Bay to visit the fabulous private collection of Kit and Peter Bedford; Squeak Carnwath's studio; and the Russian art collection of Claude and Nina Gruen.
- Nov. 2001 Visit to the home of Tom and Diane Lloyd-Butler to see their collection, followed by a stop at the Anthony Meier Gallery to see the work of contemporary artist, Donald Moffett.
- Jan. 2002 Walk-through of the Logan Book Collection at the Legion of Honor by Robert Johnson, Curator of the exhibition.
- Feb. 2002 An evening with John Waters as he walked us through his exhibition "Straight to Video" at the Rena Bransten Gallery, followed by a brief stop at Gallery Paule Anglim.
- April 2002 Bus tour to Tony Meier Gallery to see the Friends of New Art most recent acquisition, Bruce Nauman's "Double Poke in the Eye," and then on to two private collections in San Francisco.

We are working on a Peninsula tour in May that will include three private collections located in Atherton, Woodside, and Portola Valley.



BELVEDERE-TIBURON AUXILIARY  
to the  
FINE ARTS MUSEUMS OF SAN FRANCISCO

YEAR IN REVIEW 2001-2002

In MAY a Business Meeting was held in the home of Sallie Griffith. The list of officers presented by the Nominating Committee was confirmed, and four new members were introduced bringing us to a total of 44 members. We then held our "Ceramic Road Show."

Also in MAY we held our first Board Meeting to plan programs for the new year and have input from all the new Board Members.

In JUNE Holly Noble put together a trip to view WINE COUNTRY ART on Thursday, June 21st and Thursday, June 27th. This tour was open to members from both the Belvedere-Tiburon and San Francisco Auxiliaries.

Our Fall schedule started with a visit to the Legion of Honor on SEPTEMBER 6th to view the exhibit "HENRY MOORE: SCULPTING IN THE 20th CENTURY." We had the honor and pleasure of being guided through this outstanding exhibit by the curator, Stephen Nash.

On OCTOBER 10th we held our first Business Meeting and luncheon at the San Francisco Yacht Club. Robert Johnson, curator in charge of the Achenbach Foundation for Graphic Arts, lectured and showed slides on the "ARTISTS' BOOKS IN THE MODERN ERA, 1870-2000" Exhibit at the Legion of Honor.

Later in OCTOBER we visited the Legion of Honor to see in person this wonderful exhibit from the Reva and David Logan Collection of Illustrated Books under the expert guidance of curator, Robert Johnson.

Also in OCTOBER Holly Noble's "ART ADVENTURES" offered a trip to Chicago open to all members of the Belvedere-Tiburon and San Francisco Auxiliaries. A very full 5 days of "viewing and chewing" was greatly enjoyed by all those who participated.

In NOVEMBER our very busy and talented Holly Noble organized "A DAY OF FINE PHOTOGRAPHY" which included the Ansel Adams Retrospective at SFMOMA and the Paul Sack collection. Once again this was open to both our auxiliary and the San Francisco Auxiliary

A Board Meeting was held JANUARY 14th to finalize the Spring Program.

In FEBRUARY we toured the exhibit "DREAMING WITH OPEN EYES: DADA AND SURREALIST ART" from the Vera, Silvia, and Arturo Schwarz Collection under the talented and enthusiastic guidance of curator, Krista Brugnaro Davis. Following the tour we held our

Business Meeting in the back area of the Legion of Honor Cafeteria.

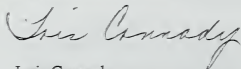
On MARCH 14th our Belvedere-Tiburon Auxiliary along the the Ross Auxiliary sponsored Michael Walter, owner of Lexington Gardens in New York City "BEYOND DRIED FLOWERS: TOPIARIES" at BOUQUETS TO ART 2002 being held at the California Palace of the Legion of Honor.

On APRIL 2nd one of our members, Norma Totoritis arranged a visit to FILOLI GARDENS. We enjoyed a lecture on the history of Filoli by its curator, Tom Rogers We were then given a tour through this beautiful home which features the MARTIN COLLECTION OF 17th and 18th CENTURY FURNITURE AND DECORATIVE ART by Tom. The day was climaxed by a walk through the exquisite gardens led by Norma, a long time docent.

In MAY we will hold our final Business Meeting and luncheon at the Belvedere Tennis Club. By popular demand we will have a repeat of last years "Road Show." This year it will feature "a thing of beauty."

Our Belvedere-Tiburon Auxiliary continue to greatly enjoy our affiliation with the Fine Arts Museums of San Francisco with their wonderful exhibits and outstanding personal. They greatly enrich our lives. As of April the Belvedere-Tiburon Auxliary has made gifts to the New de Young Museum Fund totaling \$145,672. This amount comes from 41 out of 52 (active and sustaining members). We continue to work towards 100% participation.

Respectfully submitted,

A handwritten signature in cursive script, reading "Lois Cannady".

Lois Cannady  
Chairman Belvedere-Tiburon Auxiliary 2001-2002

# **ANNUAL REPORT TO THE TRUSTEES OF THE FINE ARTS MUSEUM OF SAN FRANCISCO FROM THE HILLSBOROUGH AUXILIARY**

**APRIL 2002**

The events of year 2001-2002 began with the Annual Meeting held on April 26, 2001 at the Lark Creek Café in San Mateo, CA. Officers elected at the meeting included: Chairman-Maria Evans, Vice Chairman-Claudia Smay, Recording Secretary-Anne Bleck, Corresponding Secretary- Mary Chakos, Treasurer-Janet Boyer and Assistant Treasurer- Jean Williams. Following the business meeting a fascinating lecture "Toulouse Lautrec, Spirit of Montmartre" was enjoyed.

On May 17<sup>th</sup> at the Legion of Honor a docent-led tour of the exhibit "Toulouse Lautrec and the Spirit of the Montmartre," was a perfect follow-up to the April lecture. After the tour the group had lunch at the Fort Mason Officers' Club in San Francisco.

In June, a docent-led tour of the exhibit "Treasures from the Smithsonian: the Gilded Age" at the Cantor Center of Visual Arts in: Palo Alto was followed by lunch at the California Café.

Next on the list of the year's events was a tour to view the exhibit "Henry Moore-Sculpting the 20<sup>th</sup> Century" at the Legion of Honor. Luncheon followed at the Olympic Club (Lakeside).

In September, "Ansel Adams at 100" a photographic retrospective of this noted photographer's work from the 1920s through the 1960s, was the focus of a tour to the San Francisco Museum of Modern Art. Lunch was arranged at the Thirsty Bear restaurant near the museum.

In January 2002 Dominic's at Popular Creek was the site selected for the General Meeting. Lecturer Lois Gottlieb spoke of her association with Architect Frank Lloyd Wright and his center, Taliesin West, located in Arizona.

The exhibit "California Grandeur Landscape Painting" as well as a display of the works of Oakland Artists took members to the Oakland Museum of Art on February 27<sup>th</sup>. Lunch followed at Scott's restaurant in Jack London Square.

Members of the Auxiliary contributed their services to Bouquets to Art on the afternoon of March 12<sup>th</sup>.

On March 14th a bus tour was arranged for the Bouquets to Art event at the Legion of Honor. Those who attended enjoyed seeing the exquisite flower arrangements on display throughout the Museum and attended the lecture "Homage to orchids" by Valerie Arelt and Tom Perlite, underwritten by the Hillsborough Auxiliary and the San Francisco Auxiliary. Following the lecture an elegant tea greatly added to the pleasure of the afternoon.

A member of the Hillsborough Auxiliary's Special Projects Committee has arranged an April 4<sup>th</sup> bus tour to Blackhawk to view "Red, Hot and Blue: a Salute to American Musicals" and "Telescopes: Intimate Landscapes from a Distance" by Francis Sakamoto. Those attending will have an opportunity to have lunch at their choice of excellent Blackhawk Circle restaurants before returning to Hillsborough.

On April 19, 2002 members will meet at the Marriott Airport Hotel for lunch and the Annual Meeting. The program for the day will be a lecture "Monet's flowers at Giverny" given by Carol Nelson. Thus the year 2002-'03 will begin.

The 2001-'02 roster listed 75 active members and 57 Sustaining Members. Donations for the year included: \$1500 to the Children's Art/Ed Fund at the Fine Arts Museum; \$2000 to the New de Young Fund and a contribution of \$1250 toward underwriting the March 14<sup>th</sup> lecture "Homage to Orchids" at the 2002 Bouquets to Art event.

Thank you for your attention to this report and for your continuing efforts that enable the people of the Bay Area to enjoy the variety and beauty of fine art from throughout the world.

Respectfully submitted,



Maria Evans, Chairman,  
Hillsborough Auxiliary

**Fine Arts Museums of San Francisco  
Ross Auxiliary**

April 1, 2002

To: Board of Trustees, Fine Arts Museums of San Francisco  
From: FAMSF Ross Auxiliary  
Michael Moore, President

Subject: Ross Auxiliary Annual Report

The Ross Auxiliary Executive Committee established the same three goals for 2001-2002 as were identified for the previous year. Only a modification of the priority of our goals was required. We had successfully adjusted to the closure of the de Young, which was our main 2000-2001 aim.

Our number one goal became to increase membership in and financial support of the FAMSF. Our efforts to accomplish that aim will be reported firstly.

In September, we welcomed eleven new active auxiliary members, and our sustaining list increased by nine. Our roster lists eighty members resulting in an increase of our treasury balance from dues, which are our only source of income. Further, we reduced the cost of our New Member's Luncheon by having a group donated potluck rather than a catered menu. This type of luncheon could not have succeeded without the jovial attitude and expertise of our Hospitality Chairmen Margie Wilson and Karen Foss. As it turned out, we had fun sampling each other's dishes and enjoying the lovely garden of one of our members.

The generous ladies who offer their homes for our meetings are part of the foundation for our success and provide an invaluable service. As our membership reaches retirement and moves to smaller domiciles, a lack of meeting facilities presents a potentially serious problem. The cost of renting sites is prohibitive for our budget. We are recruiting younger members to sustain the auxiliary and possibly help alleviate this problem.

We have also cut our operating costs as our members become computer literate, eliminating most printing costs.

As a result of our frugality, in May we will vote on the motion to make an unprecedented additional contribution to the museums. I anticipate the amount in question to be approximately \$1,500.00. In March we again donated \$1,250.00 to help underwrite a lecturer for Bouquets to Arts.

Our second goal was to continue our efforts to solidify the relationship with the FAMSF total community.

Twenty-eight members volunteered during Bouquets 2002, our largest number of Ross auxiliary participants. By working face-to-face with other auxiliaries, we feel more a part of the whole.

The third goal was to sustain our group's motivation to continue their appreciation and study of art.

Our most capable and diligent Program Chairmen Loraine Berry and Mary Buttaro arranged our events which were held throughout the Bay Area. We also had much assistance from the wonderful FAMSF curators and docents. These events were well attended and of great interest and benefit to our group. The Ross Auxiliary expresses deep appreciation to those mentioned in helping to accomplish goal number three.

Our programs included:

- |   |                 |
|---|-----------------|
| 1. "Ancient and Primitive Art, The Roots of It All"<br>Speaker—John Ristow of CURIOSITIES in Kentfield                        | Private Home    |
| 2. Logan Book Show<br>Speaker—Museum Docent   | Legion of Honor |
| 3. Elmer Bischoff Tour<br>Dios de Los Muertos Tour<br>Speaker—Museum Docent   | Oakland Museum  |
| 4. "Ciura Obata—A Granddaughter's Perspective"<br>Speaker—Kimi Hill<br>Slide Show   | Private Home    |
| 5. San Anselmo Antiques and Collectibles<br>Galleries visited:<br>Aurora Antiques<br>Oveda Mauer Antiques<br>Zaragoza Gallery | Walking Tour    |
| 6. Friede Collection—Masterworks of New Guinea Art<br>Speaker—Kathleen Berrin   | Legion of Honor |

As my second term of office terminates, I am proud and happy that the Ross Auxiliary is solvent, a strong working unit in support of the FAMSF, and highly motivated to pursue its knowledge and nurture its appreciation of the fine arts. I thank the Museums' Board, Director and staff for your consistent appreciation of our efforts. It has been my pleasure to serve the Auxiliary and in turn the museums.

Respectfully submitted,

*Michael G. Moore*

Michael G. Moore





*San Francisco Auxiliary  
of the Fine Arts Museums*

April 2002

*Benefits the  
California Palace  
of the Legion of Honor  
and the M.H. de Young  
Memorial Museum*

**Annual Report to the Trustees of the Fine Arts Museums of San Francisco:**

In our 53<sup>rd</sup> year, the San Francisco Auxiliary was pleased to be able to donate \$5,000 to the Textile Conservation Department to help in the restoration of the tapestry "The Triumph of Justice" and gave one-half of our \$1,000,000 pledge to the New deYoung. The remaining \$500,000 will be given within the next few months, if not sooner.

The Auxiliary is made up of 104 active members and 39 sustaining members most of whom just finished working on the 18<sup>th</sup> annual Bouquets to Art. The event was very successful again this year with almost 18,000 people going through the museum during the week. It is gratifying to report that from that number, 71 new memberships and 69 renewals for a total of 140 memberships were obtained. This up from a total of 119 last year.

We are proud to report that preliminary figures show Bouquets to Art 2002 grossed \$554,000 - up 10.8% over last year.

As of March 25, 2002, the Auxiliary's current total for the New deYoung is \$1,430,217 including our \$1,000,000 pledge.

We hope that the Trustees are pleased with our performance and we thank you for the support of our events.

Respectfully submitted,

*Marcia Forman*

Marcia Forman

Co-Chair, Bouquets to Art 2002

Lynn Scher      Chair of the Fine Arts Museums Flower Committee  
170 Garcia Avenue San Francisco California 94127  
phone: 415-566-4500 fax: 415-661-4455 e-mail: LSCHER170@aol.com

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April 9, 2002

Report from Lynn Scher  
Chairperson for The Fine Arts Museums Flower Committee

The Fine Arts Museums Flower Committee had 40 members when we moved from the De Young to the Legion. Now there are presently 33 members on the list. Of these 33 members, only approximately 1/3 of the members are actively volunteering their time. This drastic drop off in involvement is primarily due to the lack of work space that is available to the flower committee at the Legion. It is also due to the regulations of non fragrant flowers, time restrictions of flower installations and budget concerns. The committee members in the past, while volunteering their time, had enjoyed the social aspects of getting together and creating the arrangements. What is happening at this time is the team captain and maybe one other volunteer end up doing the buying, arranging and watering for each week.

At the Legion there is no designated workspace to make arrangements except on the plastic tarps that we put down in front of the urns as we make the weekly change. It is always a rush-rush situation and the members just do it and get out. The only space that we have is a storage corner behind the stage in which we shelve minimum supplies and roll in our carts that we use for transportation of flowers, tarps and water that we obtain from the janitors closed outside the ladies room. To keep the committee going I have been dedicating my time to the flower committee as if it were my own full time business.

In the past, the flower committee was always able to purchase the flowers that were needed without being overly concerned with the budget. Now there is a real budget issue that makes it extremely difficult to do what we used to do. Attached please find the letter that I sent concerning this matter.



In addition to the weekly flower arrangements the flower committee has been involved in many events at the Museum. These arrangements were made in sight at the Museum, in the loading dock area and then placed in the Museum as well as in my garage and then transported to the Museum.

During Bouquets to Art 2002, we continued our tradition of fresh flower arrangements in the ladies and mens room. In the ladies room there were clear vases filled with lemons and tulips. In the men's room there was a clear vase filled with golf balls and fake marshmallows. Once again it was a sensation and well photographed. For Bouquets to Art, The Flower Committee created a tulip arrangement in the porcelain gallery that was very well received and rated unofficially as "best in show" by our visiting lecturers. Our other contribution to the Bouquets to Art was backstage assistants to the lecture series. We had 6 of our members there all week to assist the auxiliary members with museum protocol, flower needs and clean up.

Additionally, this past year, the Flower Committee was called upon by various museum departments to make the floral arrangements and centerpieces for many special events at the Legion. We made the floral arrangements and centerpieces for the opening of Logan Collection in October, the Data Exhibit in February, the Marcia and John Friede Collection of New Guinea Art in February, the Treasure Hunt in March, as well as a luncheon in January and February. We were also asked to make memorial arrangements at the base of Rodin's "Thinker." A lot of planning and thought went into the arrangement for the memorial for the September 11 attack and later the memorial arrangement for Mr. John Rosekrans.

Although the Fine Arts Flower Committee is having difficult times, we are very grateful to have the opportunity to continue to create flower arrangements in the very special environment at the Legion of Honor.

Sincerely,

Lynn Scher

## FACT SHEET

### NATIONAL COUNCIL of the Fine Arts Museums of San Francisco

- \* Next meeting is scheduled for **September 25-27, 2002**. It will coincide with the exhibition **Eternal Egypt: Masterworks of Ancient Art from The British Museum** and a black-tie dinner celebrating this exhibition.
- \* Last meeting was February 6-8, 2002 and began with a viewing of the exhibition **Masterworks of New Guinea Art: Selections from the Marcia and John Friede Collection**. (The Friedes are members of the National Council)
- \* A dinner honoring Marcia & John Friede at the home of Wm. Laney Thornton followed.
- \* Business meeting was held the next day followed by a luncheon at the Legion. Some members continued on to the Spruce Ave. location for a tour of the facility.
- \* The Tribal Arts Benefit was held that evening in Fort Mason.
- \* Our "day in the city" followed on Friday and began with a tour led by Andrew Hoyem of the new Arion Press facility located in the Presidio. Craig Middleton, Executive Director of the Presidio Trust, then led a tour of the Presidio and the Chrissy Field renovation projects.
- \* Our farewell luncheon was held at the St. Francis Yacht Club hosted by Dede Wilsey.
- \* Currently 50 memberships serving 3-year terms. There are a total of 75 memberships available.
- \* **New Members:**  
  
Mr. Carillo Gantner of Melbourne, Australia  
Mr. and Mrs. Matthew Simmons of Houston, TX
- \* Members currently represent 15 states in the U.S.\*\*\*  
Other countries represented include:  
France, Peru, England, Italy, Australia, Spain and Bermuda.
- \* Ongoing recruitment.  
We would like to broaden our geographical base, especially to the states of Pennsylvania, Kansas, South Carolina, Georgia, Ohio, Michigan and others.  
  
Members should have a strong interest in the arts and a tie to San Francisco. A mission statement is attached.  
  
Members asked to contribute a minimum of \$1,000 annually
- \* Meetings are held one or two times a year in San Francisco based on the Museums' exhibition schedule.

San Francisco Ceramic Circle

This past year has been one of decision for the San Francisco Ceramic Circle Council. Charges for museum guard and projectionist services for the SFCC lectures have increased from less than \$800 to more than \$3000 p.a. With 150 members this is over 50% of the revenue from membership dues and is an unsustainable expense in the long term. Consequently, after polling the membership, the board decided to increase annual dues to \$60 and to implement a major restructuring of the SFCC lecture program. Starting in 2003 the program will be reduced to 10 lectures a year with half of these to be held on Sunday mornings when guard services will not be required. There are other potential benefits that may arise from these changes. Among these are increased exposure of the SFCC program to the public as some lecture will be held when the museum is open and less onerous demands on our speaker's time to take advantage of low cost Saturday night stopover airfares. It is hoped that these changes will enable the SFCC balance its budget and to continue to provide an outstanding program of lectures which are open to the public by some of the world's leading ceramic curators, collectors and specialist dealers.

Respectfully submitted,

Colin Knight  
President

## Annual Report

### Thursday, April 11, 2002

The Textile Arts Council is a very active Museums support group, whose main mission is to publicize, promote and support the textile collections of the Fine Arts Museums of San Francisco. We currently have a membership of 417, up from 380 this time last year. We have continued to garner new members despite the closure of the deYoung, and consequently the severely limited space for textile exhibitions. The Board of TAC feels that this is due largely to the continued excellence of our monthly lecture program series, and to our continued high profile within the Museum community. Speakers such as Kaffe Fassett fill the Florence Gould Theater. Bay Area textile arts luminaries such as Yoshiko Wada are currently on our program list for Fall 2002, when she will introduce her newest book, *Memory on Cloth*.

We keep our membership informed about TAC's current and future activities through our *Newsletter*, which is published 3 times per year. Our members are also updated on the current status of the New deYoung, and on relevant news from the curators, such as exhibitions and acquisitions.

#### Acquisitions

Over the last year TAC has provided the funds for the purchase of items for the costume collection (French 18th century man's embroidered at-home cap), as well as for the contemporary fiber art portions of the collections (a partial purchase of a Deborah Valoma woven piece, and a Judith Content "kimono" wall hanging.) We began to purchase samples of the textiles designed by artists of the caliber of Raoul Dufy for Bianchini-Farier Co. Such designs are documented in the B-F archives recently given to the Achenbach by Dr. R. Ehrenfeld. In March, we also allocated funds for the purchase of clothing from places as widely separated as India (Kutch pants), China (woven summer shoes) and Africa (cap of magistrate monkey fur). We look forward to increasing the size of our Acquisitions Endowment Fund, so that the monies available for acquisitions will increase annually in proportion. This year we had over \$25,000 available to fund acquisitions!

#### Textile-Centered Tours

In July and August of 2001, TAC was able to sponsor textile-centered tours to Peru & Bolivia, and also a sailing tour of the Indonesian Islands east of Bali to meet weavers who continue to work in very traditional methods and materials. Each trip was a great success, with all participants very pleased with accommodations and content. We are planning and advertising currently for a tour to Thailand and Laos, with an optional extension to Cambodia, which will depart in late January of 2003! Many suggestions for future trips are being considered by the Board. The tours netted almost \$4,000 for the Textile Study Center at the New deYoung Fund founded by TAC to furnish and equip the Textile Study Center when the new Museum opens.

#### Textile Study Center Fund

We are continuing to raise monies for this Fund, in the hopes that we will eventually be able to contribute \$100,000 in cash to the New deYoung. We have currently raised over \$340,000 for the Fund for the New deYoung from donors interested in and supportive of textiles. 15 of our members have contributed over \$1,000 each, and their names will appear on the Donor Wall, as well as the names of several members who have left substantial bequests in the form of books and materials to TAC.

## Plans

TAC will continue its active lecture programs for members and the public. We are also in the midst of planning and organizing the sale of almost 200 textiles given as a gift to TAC by the Christensen Fund of Palo Alto, to dispose of as we thought best, and to use the money to further the interests of the textile collections. The sale will take place in San Francisco on Saturday, May 11, 2002. We hope to raise something over \$15,000 dollars to add to the Acquisitions Endowment.

The TAC Board is very interested in pursuing the development of a Web site for TAC, that will allow us to keep our membership up to date on current programs, tours, workshops, and other events of interest to textile lovers in the Bay Area.

TAC has among its members a great many who are interested in volunteering to help the Textile Department in any way they can. We hope to organize a project that will allow their useful participation in the task of loading information on many pieces in the collection into the data base for use on [thinker.org](http://thinker.org). This truly fulfills our mission of placing the collections before the public.

Former TAC Board member and past Chair, Peggy Gordon, who is also a very active Docent at FAMSF, is one of this year's recipients of the Carole and Robert McNeil Volunteer Grant Awards. She has elected to designate the \$25,000 of the award to purchases for the Textile Conservation Lab, to help them in properly documenting the entire textile collection. Photographic equipment and mannequins top the list of items needed to start the digital photographic documentation project, and Peggy is there to help. Such equipment will continue to prove invaluable to the Lab for many years to come.

We hope to continue to grow in numbers and in scope, so that the textile galleries at the new De Young will have a "built-in" constituency when we reopen in 2005.

Respectfully submitted,

Gretchen Turner  
Chair, Textile Arts Council Board

## FAMSF Volunteer Council Report

### April 2002

The Volunteers continue to thrive at the Legion. Our number (405) is about the same as last year, and we continue to recruit for a few of our floor shifts. We have adjusted to our sole museum location and have gotten to know the Legion quite well. We continue to adjust to the use of two computers: one to identify and locate art pieces for visitors (thanks to the efforts of Conservator Bob Futernick and Volunteer Lars Vistnes), the second to scan memberships.

This year we volunteered just under 30,000 hours (29,059 to be exact), as compared to just under 40,000 hours last year.

Highlights of our year include the following:

- The continuance of the Volunteer Council Ad Hoc Committee's efforts to raise funds (totaling \$121,490 as of March 28, 2002, which includes the donations of 78 Volunteers) for the New de Young.
- The re-introduction of the Gallery Aide program, which will place Volunteers in the galleries with general museum information for visitors. This program will also provide additional "presence" in the galleries.
- The sale of Pacific Shore maps, replacing the Golden Gate Park maps.
- The donation of \$1,000 to the FAM Acquisition Fund in memory of John Rosekrans.
- The donation of \$1,000 to the Al Wilsey Memorial Fund in memory of Mr. Wilsey.

Through the Ad Hoc Committee, we plan to continue our fund raising activities in support of the New de Young.

Finally, and most importantly, we would like to recognize and thank Harry Parker for his continued support of the Volunteers, and Marilyn Duffy-McClellan for her daily guidance in all of our activities for the Museum.

Phyllis Scaduto  
Chair  
Volunteer Council Steering Committee

CORPORATION OF THE FINE ARTS MUSEUMS

M.H. DE YOUNG MEMORIAL MUSEUM \* CALIFORNIA PALACE OF THE LEGION OF HONOR

OFFICIAL MEETING NOTICE

Corporation of The Fine Arts Museums  
Board of Trustees

Thursday, June 13, 2002

3:30 p.m.<sup>1</sup>

Board Room

California Palace of the Legion of Honor

Lincoln Park

San Francisco, California

DOCUMENTS DEPT.

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AGENDA

ORDER OF BUSINESS

- I. Calling of the Meeting to Order and Invitation to Members of the Public to Attend and Participate in Discussions Relating to the New de Young Financing Plan and the Issuance of Tax-Exempt Bonds by the ABAG Finance Authority for NonProfit Corporations (Agenda Item IV., A.) – Diane B. Wilsey, President

II. Calling of the Roll

Trustees

Arlene Ackerman  
Del M. Anderson  
Cheryl L. Bancroft  
Alvin H. Baum, Jr.  
Alix Phillips Becker  
George McNear Bowles  
Jamie Bowles  
T. Robert Burke  
Barbara B. Carleton  
Iris S. Chan  
Barnaby Conrad III  
Marion Moore Cope  
Belva Davis, Vice President/Audience Development and Civic Affairs  
Dagmar Dolby

<sup>1</sup> Or such time as the Fine Arts Museums of San Francisco Board of Trustees Meeting ends, but in no event before 3:30 p.m.





**Calling of the Roll (continued)**

Richard P. Essey  
Richard H. Finn  
Morgan Flagg  
Harrison S. Fraker, Jr., FAIA  
John A. Friede  
Tamara Fritz  
Rupert Garcia  
Richard N. Goldman  
Constance Goodyear  
Richard W. Goss II  
Nancy Hamon  
George Hecksher  
Jacqueline Hoefer  
Beverly James  
J. Burgess Jamieson  
Ann L. Johnson, M.D.  
Stephen L. Johnson  
William R. Kimball  
Leonard E. Kingsley  
Diane B. Lloyd-Butler, Vice President/Marketing and Communications  
Nancy McBean  
Nion McEvoy  
J. Alec Merriam, Vice President  
Lorna F. Meyer  
Josie Mooney  
Robert P. Morrow III  
Joy Ou  
Marianne H. Peterson  
Michael H. Podell  
Steven MacGregor Read  
Louise H. Renne  
George R. Roberts  
Shelagh Rohlen, Vice President/Annual Support  
George B. Saxe  
Randolph R. Scott  
Gail P. Seneca  
Burl A. Toler, Sr.  
Vivian Fei Tsen  
Carlos Pedro Villa  
Paul Violich, Vice President/Finance  
Lonna Wais  
Nancy Willis  
Diane B. Wilsey, President  
David Winton



**Calling of the Roll (continued)**

Absences to be Excused

Non-Voting Officers

Harry S. Parker III, Chief Executive Officer  
Steve Dykes, Treasurer  
Judy Gough, Executive Secretary

**III. Report of the President – Diane B. Wilsey**

- A. Consideration and Possible Action to Approve the <sup>5:25</sup>Minutes of the <sup>✓</sup>April 11, 2002 Annual Meeting of the Board of Trustees (See Appendix A – Draft Minutes) Approval
- B. Consideration and Possible Action to Approve the <sup>5:45</sup>Minutes of the <sup>✓</sup>May 9, 2002 Meeting of the Executive Committee of the Board of Trustees (See Appendix B – Draft Minutes) Approval
- C. Report of the Plans for a New de Young Museum in Golden Gate Park
- D. Report on the Capital Campaign to Build a New de Young Museum in Golden Gate Park
1. Grant Proposal to the Columbia Foundation to Support the New de Young Museum (See Appendix C)
- E. Other Informational Items
1. Report on May 16, 2002 Annual Donor Luncheon Featuring Pierre de Meuron as Keynote Speaker
2. Report on 2002-03 Committees of the Board of Trustees (List to be Distributed at Meeting)



#### IV. Director's Report - Harry S. Parker III

- A. Report on the New de Young Financing Plan Including the Issuance of the Tax-Exempt Bonds by the ABAG Finance Authority for NonProfit Corporations
1. Presentation on the Preliminary Official Statement (Bond Prospectus) \$143 Million, ABAG Finance Authority for Nonprofit Corporations, Revenue Bonds (New de Young Museum Project, San Francisco, California) - Nikolai J. Sklaroff, Vice President, Public Finance Department, SalomonSmithBarney, and Richard W. Chisholm, Managing Director, Principal Securities, Banc of America Securities (Preliminary Official Statement to be Distributed at Meeting)
  2. Consideration and Possible Action to Adopt a Resolution Honoring Monique Moyer, Director, Mayor's Office of Public Finance

Approval\_\_

WHEREAS, The highest institutional priority of the Fine Arts Museums of San Francisco, the Corporation of The Fine Arts Museums, and The Fine Arts Museums Foundation is to build a new facility to house the M. H. de Young Memorial Museum (New de Young Museum) in Golden Gate Park; and

WHEREAS, Efforts to secure public funding for a New de Young Museum were unsuccessful with proposed City and County of San Francisco general obligation bond measures failing to receive the 66.7% affirmative votes for passage in 1996 (62.6% yes votes) and 1998 (64.3% yes votes); and

WHEREAS, Immediately following the loss of the second City and County of San Francisco general obligation bond measure in November 1998, Mayor Willie L. Brown, Jr., offered the assistance of Monique Moyer, Director, Mayor's Office of Public Finance, to help structure the most cost efficient non-profit financing for the New de Young Museum; and

WHEREAS, She has been indefatigable in her efforts for three and one-half years to structure a not-for-profit bond financing plan for the New de Young Museum; and

WHEREAS, Ms. Moyer has been exceedingly generous in contributing her expertise and time to the New de Young Financing Plan; now, therefore, be it

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums does hereby express its profound gratitude to Monique



Moyer for her leadership and outstanding dedication to secure the tax-exempt bond financing for the New de Young Museum; and be it

FURTHER RESOLVED, That the Board of Trustees congratulates the New de Young Financing Team for successfully bringing to fruition the \$143 million bond offering to finance the construction of the New de Young Museum in Golden Gate Park.

- B. Consideration and Possible Action to Adopt a Resolution Approving Investment Guidelines for the New de Young Bond Proceeds and Pledge Funds (Resolution to be Distributed at Meeting) Approval\_\_
- C. Report on COFAM Operating Budget as of April 30, 2002  
(See Appendix D – Report on COFAM Operating Budget as of April 30, 2002)
- D. Consideration and Possible Action to Adopt a Resolution Authorizing the Opening of an Account at SalomonSmithBarney Approval\_\_

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums does hereby authorize the Treasurer and Controllor of the Corporation to open an account in the name of the Corporation at the firm of SalomonSmithBarney, for the sole purpose of receiving and selling gifted shares of stocks to this Corporation; and be it

FURTHER RESOLVED, That this account remains in full force until rescinded or modified by this Board.

- E. Consideration and Possible Action to Adopt a Resolution Covering the Transfer of Shares at SalomonSmithBarney Approval\_\_

RESOLVED, That any one of the following officers and employees of the Corporation of The Fine Arts Museums, to wit:

Harry S. Parker III, Chief Executive Officer  
Stephen E. Dykes, Treasurer  
Barbara Boucke, Deputy Director for Development  
Robert M. Cullison, Controllor

are authorized to sell, assign, transfer or dispose of any stocks, bonds, or other securities now or hereafter owned or held by the Corporation at SalomonSmithBarney; and, be it

FURTHER RESOLVED, That any Transfer Agent, Registrar or issuer of securities to whom a copy of this resolution shall be delivered may rely





upon this resolution until such time as written notice of any change, amendment or cancellation thereof shall have been received by such Transfer Agent, Registrar or issuer of securities.

- F. Consideration and Possible Action to Adopt a Resolution Authorizing the Transfer of Stock Approval\_\_

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums (COFAM) does hereby authorize that any two of the following individuals are fully authorized and empowered to sell, assign, transfer, and deliver any and all shares of stock, bonds, debentures, notes, evidences of indebtedness, or other securities now or hereafter standing in the name of or owned by this Corporation and to make, execute, and deliver any and all written instruments necessary or proper to effectuate the authority hereby conferred, including execution of all written instructions necessary for our nominees, Wells Fargo Bank, Dresdner RCM Global Investors, and Merrill Lynch, to implement the transaction.

Authorized Individuals:

Harry S. Parker III, Chief Executive Officer  
Stephen E. Dykes, Treasurer  
Barbara Boucke, Deputy Director for Development.  
Robert M. Cullison, Controller

- G. Other Informational Items

- V. **Report of the New de Young Building Committee – Steven MacGregor Read, Chair**

- VI. **Report of the Joint Meeting of the Civic Affairs and Audience Development Committee and the Marketing and Communications Committee – Belva Davis, Vice President of Civic Affairs and Audience Development, and Diane B. Lloyd-Butler, Vice President of Marketing and Communications**

- A. Consideration and Possible Action to Adopt a Resolution Approving the Identity Language and Symbols for the Fine Arts Museums of San Francisco, the California Palace of the Legion of Honor, and the M. H. de Young Memorial Museum – Wolff Olins Approval\_\_

WHEREAS, The firm of Wolff Olins was retained to articulate the brand for the Fine Arts Museums, Legion of Honor, and the New de Young Museum; and

WHEREAS, The purpose of the branding project was to clarify the public's notion of the identity, personality and character of the Museums.



particularly the New de Young Museum, through the use of a variety of symbols, trademarks, and logos; and

WHEREAS, The Civic Affairs and Audience Development Committee and the Marketing and Communications Committee have worked closely with the branding consultants; and

WHEREAS, Interviews with Trustees serving on these two committees, community representatives, and staff were conducted during the research phase of the project; and

WHEREAS, At the October 18, 2001 meeting of the Board of Trustees, Wolff Olins reviewed the research phase and presented their preliminary findings; and

WHEREAS, Wolff Olins presented the Branding Program Proposal at a joint meeting of the two Committees on May 8, 2002, and to the Executive Committee on May 9, 2002; and

WHEREAS, The Executive Committee of the Board of Trustees voted unanimously to recommend the Branding Program Proposal to the Board of Trustees of the Corporation of The Fine Arts Museums for approval at its meeting on June 13, 2002; now, therefore, be it

RESOLVED, That the Board of Trustees, upon the recommendation of the Executive, Civic Affairs and Audience Development, and Marketing and Communications Committees, does hereby approve the Wolff Olins Branding Program Proposal.

**VII. Report of the Budget Committee – Paul Violich, Chair and Vice President of Finance**

- A. Consideration and Possible Action to Approve the Fiscal Year 2002-03 Operating Budget (See Appendix E – Fiscal Year 2002-03 Operating Budget) Approval\_\_

**VIII. Report of the Audit Committee –William A. Stimson, Chair**

- A. Consideration and Possible Action to Adopt a Resolution Appointing Auditors Approval\_\_

RESOLVED, That PricewaterhouseCoopers is appointed to audit the combined balance sheet of the Fine Arts Museums of San Francisco (FAM) as of June 30, 2002 and the related combined statements of revenues, expenses and changes in fund balances for the year then ended; and that the combined financial statements will include COFAM, The Fine Arts Museums



Foundation (FAMF), and FAM as recorded on the books of the City and County of San Francisco; and be it

FURTHER RESOLVED, That PricewaterhouseCoopers is also appointed to undertake a COFAM Retirement Plan Audit and a Registration Department Agreed-Upon Procedures Review; and be it

FURTHER RESOLVED, That COFAM's share of the audit cost of the combined financial statement for COFAM, FAM and FAMF plus the COFAM Retirement Plan Audit and the Registration Procedures Review will be about \$85,500 including out-of-pocket costs.

- IX. Report of the Annual Support Committee – Shelagh Rohlen, Chair and Vice President**
- X. Report of The Fine Arts Museums Foundation – Richard W. Goss II, President**
- XI. Adjournment – Diane B. Wilsey, President**



**COLUMBIA FOUNDATION  
APPLICATION FORM  
Effective June 1, 2001**

*Please use the following sections in the order listed below to produce your application form which, when completed, should not exceed two pages.*

DOCUMENTS DEPT.

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**Date of application:** 5/31/02

**Applicant:** Fine Arts Museums of San Francisco (Corporation of the Fine Arts Museums)

**Fiscal sponsor (If applicable):** n/a

**Executive director (name, postal address, phone number and direct extension, fax number, e-mail, website):**

Harry S. Parker III	Phone: (415) 750-3661
Director of Museums	Fax: (415) 750-7686
233 Post Street	Email: hparker@famsf.org
San Francisco, CA 94108	Website: www.thinker.org

**Project contact (name, postal address, phone number and direct extension, fax number, e-mail address):**

Deborah Frieden	Phone: (415) 750-3612
New de Young Project Manager	Fax: (415) 750-3550
233 Post Street	Email: dfrieden@famsf.org
San Francisco, CA 94108	

**Project description (up to ½ page):**

The building of the New de Young Museum is one of San Francisco's most important civic and cultural projects. The project became necessary after the severe damage sustained by the old museum building during the 1989 Loma Prieta earthquake. The successful completion of the New de Young project is imperative to the restoration of one of San Francisco's cultural cornerstones. The necessity to build the museum from the ground up has also presented the tremendous opportunity to create an innovative building that could serve as a model for new art museums for decades to come.

The new museum, designed by Pritzker Prize-winning architects Jacques Herzog and Pierre de Meuron, will utilize a base isolation system for seismic mitigation, and will also provide much-needed upgrades to environmental systems. The new building will double the museum's size to 293,000 square feet, providing vastly expanded space for the rapidly growing collections, new education programs, and behind-the-scenes facilities such as conservation laboratories. The design integrates the museum with its park setting, with areas of the park merging with interior garden courtyards to maximize user experience. The new building also vastly improves access (including admission-free education program facilities) and provides even distribution of gallery space amongst the museum's culturally diverse collections.

**Project budget/projected time period:** Budget: \$202,300,000

**Project Start Date:** January 1999 (Architects hired). **Start of Excavation/Groundbreaking:** June 2002. **Start of Construction:** December 2002. **Project Completion:** July 2005.

**Organization description (up to ½ page, including year founded):**

Formed in the 1972 merger of the M.H. de Young Memorial Museum and the California Palace of the Legion of Honor, the Fine Arts Museums of San Francisco are among the major arts institutions in the western US. The Museums provide their community and region with the highest quality exhibitions, programs, education and outreach, and care for, interpret, and foster the continuing development of San Francisco's collections.

San Francisco's first public museum, the de Young Museum was founded in 1895 at the close of the California Midwinter International Exposition. Throughout its history, the museum has been one of the premier centers for visual arts in the western United States, attracting prominent national collections and serving as the primary west coast venue for major international traveling shows. The de Young collections are among the most diverse and extensive in western US, including 18<sup>th</sup>- and 19<sup>th</sup>-century American Art, 20<sup>th</sup>-century American Art, the Ancient and Native Arts of the Americas, African Art, the Arts of Oceania, and international textiles.

**Organization budget and fiscal year:**

FY01-02: \$44,595,888

**Previous Columbia Foundation grants for the project (if applicable, list by year and purpose):**

n/a

**Other financial support for the project (total amount secured and total amount pending for the grant period, including time period covered):**

Gifts of \$1 million or more (41 Donors)	\$126,592,381
Gifts \$100,000 - \$999,999 (84 Donors)	\$ 17,001,186
Gifts \$10,000 - \$99,999 (285 Donors)	\$ 6,928,116
Gifts \$1,000 - \$9,999 (2,764 Donors)	\$ 3,782,604

Total Amount Secured to Date (5/31/02)	\$154,532,742 (5,687 Donors)
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**Project/organization accomplishments (up to ½ page summary of accomplishments for the past year):**

The de Young Museum closed to the public on December 31, 2000 to begin deinstallation and preparation for demolition, at which time Museum programs were consolidated at the Legion of Honor. In February 2001, the de Young Art Center opened at 26<sup>th</sup> and Irving to ensure the continuation of the de Young's valuable education programs and resources during the construction period. In Spring 2001, an offsite collection management facility was installed in South San Francisco to house the collections, conservation labs, and offices for registration, curatorial, and administrative staff. Hazardous material removal in the old de Young building took place during the second half of 2001. In January 2002, the new museum's Environmental Impact Report was certified by the SF Board of Supervisors. Demolition of the old de Young building took place from March – May 2002, in preparation for excavation and new construction.

**Tax status (check one):**

☒ 501(c)(3) (attach a copy of the IRS determination letter)  
☐ Government agency  
☐ Other (explain):  
 Date of Incorporation: (COFAM): 1987  
 Date of last audit: 10/30/2001

**Program category (check only one):**

☒ Arts and Culture  
☐ Human rights  
☐ Sustainable Communities and Economies



## **The New de Young Museum in Golden Gate Park**

### **Executive Summary**

The building of the New de Young Museum is vital to the continuation of one of the City's most prominent cultural institutions, and represents the tremendous opportunity to create a new model for the American art museum of the 21<sup>st</sup> century.

The rebuilding of the de Young became imperative when the old structure was severely damaged during the 1989 Loma Prieta earthquake. The building was subsequently assigned the City's highest hazard rating. Studies of the damage concluded that renovation would be difficult and not cost-effective. After the narrow defeat of two bond measures to secure public funds for the project, the Trustees moved forward with plans to rebuild the entire museum through a private fundraising effort, rather than risking further delays.

Architects Jacques Herzog and Pierre de Meuron were selected to design the new museum, with the local firm of Fong & Chan serving as Architect of Record. The plan of construction calls for demolition of the old facility and construction of a new 293,000 square foot building. The New de Young will consist of three floors, one below ground and two above, along with a 144-foot Education Tower. The three-level design allows the museum to double in size while actually reducing the museum's footprint in the park.

The goals of the project are: •to assure safety for the public, the staff, and the artwork; •to improve access to the museum for all visitors; •to accommodate the growing collections through expanded galleries and environmental, storage, and conservation upgrades; •to enhance the museum experience for all visitors; •to broaden capacity for art education programs for people of all ages and interests; •to restore the de Young's popular temporary exhibition program; and •to maintain economic viability and support the City of San Francisco.

Construction of the new de Young will feature a base isolation system for seismic mitigation, as well as environmental and fire protection system upgrades to protect the City's art collections. To facilitate access and create new public spaces, a significant portion of the museum will be accessible to the public for free. This includes museum spaces dedicated to education programs, including the Children's Gallery and the entire Education Tower, which includes classrooms, a public reading room, the Resource Center for Education, and the Artist Studio. Gallery space is vastly expanded to accommodate collection growth, and is more evenly distributed among the many diverse collections the museum houses. The design of the new museum also integrates the building with its park setting, including the creation of garden courtyards and views into these courtyards and the park itself. The de Young's popular temporary exhibition program will be restored in a 12,000 square-foot portion of the building, one of the many elements that will strengthen our institution's economic viability for decades to come.

The project continues to move forward on schedule. The Environmental Impact Report was certified in January 2002, and demolition of the old structure has taken place from March through May. Excavation will begin in June, and new construction will commence December. Substantial completion of the building is scheduled for October 2004, and the new museum will open to the public in July 2005.

Fundraising continues strong. To date, FAMSF has raised \$154.5 million, from over 5,600 donors, towards a \$165 million fundraising goal. The Museums are also in the process of securing tax-exempt Municipal Revenue Bonds through ABAG to manage cashflow and offset the gap between the fundraising goal and the \$202.3 million cost of the project and its related expenses.

The New de Young project completes a master building plan that has already seen the successful renovation of the Legion of Honor and secures the safety of museum visitors and the collections. The building of the New de Young is essential to the museum's future, but this necessity has also presented the tremendous opportunity to expand gallery and education spaces and to re-envision the museum, its programming, and its capacity to serve all audiences for future generations.

## **1. Need for the Project**

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The building of the New de Young Museum is one of the most important projects in our institution's history. Successful completion of the project is imperative to the continuation of one of the west coast's premier arts institutions, a cornerstone of the cultural and civic vitality San Francisco since its founding in 1895.

The old de Young Museum was severely damaged in the 1989 Loma Prieta earthquake. The building was subsequently assigned the City's highest hazard rating (one rank short of requiring immediate demolition). While exterior steel bracing was installed in 1992 as a temporary measure to stabilize the building, plans to replace the structure with a new building became a top institutional priority.

Beyond seismic concerns, other areas deemed necessary to correct include insufficient fire suppression and detection systems; hazardous materials; climate control upgrades to preserve the City's valuable art collections; and inadequate plumbing, electrical, and security systems; and accessibility for disabled visitors.

The obligation to rebuild the de Young has also provided a tremendous opportunity to build a brand new museum building from the ground up. The old de Young building was comprised of eight incongruous structures assembled over time as new structures were added and old ones were significantly modified or torn down. The rebuilding has allowed for a new design that will: optimize visitor experience; expand galleries for the growing collections; expand dedicated spaces for Education programs; increase access; and attract all audiences to an enriching experience of art produced by cultures throughout the world.

## **2. Plan of Action**

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Studies of the damage concluded that renovation of the existing structure would not be cost-effective, calling for total reconstruction. Two ballot measures to secure public funds for the rebuilding, in 1996 and 1998, gained majority support from voters but fell short (by 4% in 1996

and 2% in 1998) of garnering the necessary 2/3 majority vote required. Rather than risking further delays, the Trustees thus moved forward in 1998 with plans to rebuild the museum through a private fundraising effort.

A Request for Qualifications and Proposal was sent out in October 1998, and proposals for the new museum project were submitted by a number of top international architects. In January of 1999, the Trustees selected Jacques Herzog and Pierre de Meuron to design the new building. The architects have worked closely with staff, Trustees, and the public to ensure the new building meets the needs of the institution and those it serves. Herzog and de Meuron are among the most respected figures working in architecture today, winners of numerous international awards (including the esteemed Pritzker Prize in 2001) and designers of such projects as the Tate Gallery of Modern Art in London. The de Young promises to be their most important building design in America. The local firm of Fong & Chan has been hired to serve as Architect of Record. Landscape architect Walter Hood, chair of the Department of Landscape Architecture at U.C. Berkeley, has been recruited to design the new de Young's garden landscaping, integral to the project's concept of integrating the building with its park setting.

The plan of construction for the New de Young Project includes demolition of the existing de Young Museum facility (which has been largely completed at the time of this writing) and construction of a new 293,000 square foot facility. The Asian Art Museum formerly used a portion of the old facility and is in the process of moving to its new Civic Center location.

The New de Young will consist of three floors, one below grade and two above, along with a 144-foot Education Tower. The program for the new museum includes gallery space, a main lobby, education spaces, inner courtyards, café, museum store, an education tower, curatorial and museum administration offices, a loading dock, art storage and conservation labs, and other museum-related spaces. The new museum will be built on the same Golden Gate Park site as the old building, maintaining the museum's historic location. The three-level design allows the museum to double in size while actually reducing the museum's footprint in the park.

The project's Environmental Impact Report was approved in December 2001 and certified by the San Francisco Board of Supervisors in January 2002. Demolition of the old structure took place from March through May. Excavation will begin in June, and new construction will commence in December 2002. Substantial completion of the building is anticipated by October 2004, after which reinstallation of the collections will take place. The new museum will open to the public in July 2005.

### **3. Goals of the Project**

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The goals for the New de Young project, as originally outlined in 1998, has been to construct a new facility that will allow FAMSF to:

- assure safety
- improve access to the museum for all visitors
- accommodate the growing art collections
- enhance the museum experience for all visitors
- broaden art education programs for people of all ages and interest
- restore the temporary exhibition program
- maintain economic viability and support the city of SF

The overarching goal of the project is to ensure the continuation of the de Young Museum, and to position it for future growth and an even greater role in the cultural, civic, and educational life of San Francisco and the Bay Area for decades to come.

### **4. Methods/Strategies to Achieve Goals**

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#### ***Assuring Safety:***

Construction of the new de Young will utilize a base isolation system, the most state-of-the-art and effective means of mitigating seismic activity, to help ensure the safety of the public, the staff and volunteers, and the art. The new building will also: create an environment free from hazardous materials (such as asbestos and lead); provide code-compliant, museum-quality Heating/Ventilation/and Air Conditioning systems; provide code-compliant, museum-quality life

safety and fire detection/suppression systems; improve staff work areas to meet museum and occupational health and safety standards; provide a state-of-the-art security system; and improve art delivery, movement, and handling systems (including a loading dock and newly-configured art registration, storage, and art handling areas to allow for maximum efficiency and safety in art handling workflow).

***Improving access to the museum for all visitors:***

A significant portion of the museum will be accessible to the public free of admission. This includes the grand central court at the heart of the museum and spaces dedicated to educational programming and resources (including the Children's Gallery and the entire Education tower). Visitors entering the museum will be able to purchase tickets and enter the galleries at a few secured points, but will not need to pay for admission to participate in educational activities or to utilize such facilities as the Resource Center for Education and the Public Reading Room. This will ensure that all audiences are served and that admission is not a barrier to participation in education programs.

The new museum will also provide full access for visitors with disabilities, to be overseen by the staff Access Coordinator and the Advisory Committee for Access. Direct access to the lower-level from the planned underground parking structure will help ensure visitor safety during evening events.

***Accommodating the growing art collection:***

Collection gallery space in the New de Young is vastly expanded from 27,886 sq. ft. to 58,760 sq. ft. Gallery space will be more evenly distributed amongst all collections (including the arts of Africa, Oceania, the Americas, and textiles) to provide a more culturally balanced display of the museum's diverse collections. Each collection area will be housed in galleries designed to suit the particular needs of the objects (i.e. traditional galleries for historic American art, higher ceilings to accommodate large-scale contemporary art, and more free-flowing spaces with built-in cases for AOA objects), and each will be directly accessible from the main central court (eliminating all hierarchy in the collection gallery layout).

“Interstitial” display areas between collection wings will allow for rotating installations addressing cross-cultural themes and common motifs shared by the arts of different cultures and different regions of the world. Possible topics include “mother and child” themes, and an inclusive history of the “Art of the Americas” encompassing cross-cultural influences between Native and Euro-American cultures.

Behind-the-scenes facilities for collection care are also expanded and upgraded, including expanded art storage facilities with upgraded storage units, and expanded conservation laboratories for Paintings, Objects, and Textiles.

***Enhancing the museum experience for all visitors:***

The new de Young’s “open” design and admission-free areas are representative of a conscious effort to orient the museum as a truly public place, reaching out to the broadest audience and at the same time maximizing visitor experience. Selective use of glass within the museum will allow visitors to experience the greenery of the park and interior garden courtyards while inside the museum. More than any other art museum in San Francisco, the de Young’s collections reflect a collective experience of the arts of many different cultures and times, and the design of the new building has been created to reflect an institutional aspiration to serve as a cultural “common ground” for all San Franciscans.

***Broadening art education programs for people of all ages and interest:***

Over the decades, the de Young Museum has served as one of the Bay Area’s primary centers for art education. The New de Young will allow for significant future growth in education programs and resources with expanded spaces dedicated to education programs (which currently stand at over 50 ongoing programs).

These spaces include the 2,000 sq. ft. Children’s Gallery, a multipurpose space for art activities as well didactic displays, resource materials, and computer access to the collection database. The education tower will feature three classrooms, a public reading room, the Resource Center for Education, and the Artist Studio/public interactive space. Other educational spaces include the new Textiles Study Center and a 4,000 square foot auditorium. Overall, space for education is



expanded from 7,869 sq. ft. in the old de Young to 19,850 sq. ft. in the new building. Admission-free access to these education spaces will ensure accessibility for all audiences and allow the museum to better serve the Bay Area's art education needs.

***Restoring the temporary exhibition program:***

Throughout the 20<sup>th</sup> century, the de Young served as the west coast's premier venue for international traveling exhibitions. This ended in 1997 when federal indemnification for traveling shows was suspended due to the condition of the building. The new de Young will restore this vital part of the program schedule, which has historically been the museum's most popular offering and a key revenue-generating vehicle.

The temporary exhibition galleries of the new de Young are 12,000 square feet and will be located in the museum's underground level. The underground level will have its own lobby, accessible from the main court on the ground level and from the underground parking structure. The project will allow the de Young to once again attract the most important international traveling exhibitions to Golden Gate Park every year.

***Maintaining economic viability and support the city of SF:***

The new de Young will restore revenue streams from attendance lost when the museum closed to the public. Furthermore, significant attendance increases over pre-1997 figures are anticipated (the Legion of Honor, for example, continues to draw 135% more visitors annually over pre-renovation totals), as well as memberships and other forms of philanthropic support. The return of the temporary exhibition program to the de Young will restore one of the most important revenue-generating vehicles to the museum, and expanded revenues are anticipated from all sources of earned income, including admissions, café and bookstore sales, and space rentals by third party groups. Overall, the new museum will not only restore economic strength to the institution but also facilitate significant expansion of the museum's economic capacity. Visitation, use, and overall interest in the new de Young will furthermore expand FAMSF's contribution to San Francisco's economy through visitor support of local restaurants, hotels, and retail establishments.



**Table: Space comparison of old de Young and the New de Young Museum**

<b>Primary Museum Spaces:</b>	<b>Old de Young (sq. ft.)</b>	<b>New de Young (sq. ft.)</b>
Temporary Exhibition Galleries	10,644	12,000
Collection Galleries		
American through 19th Century	14,079	14,000
20 <sup>th</sup> Century American	3,676	11,100
Art of Africa	2,007	6,800
Art of Oceania	916	10,000
Ancient and Native American Art	2,690	6,500
Textiles	4,518	4,560
Interstitial Galleries	--	3,000
Flexible Gallery	--	2,800
Children's Gallery	610	2,000
Other Education Facilities/Library	7,259	12,350
Auditorium	--	4,000
Textile Study Center	--	1,500
Restaurant/Café	2,085	6,500
Museum Store	3,486	5,000
Event Spaces/Other Public	13,193	25,300
Conservation Labs	4,885	8,250
Other/Behind the Scenes	45,845	95,450
Circulation/Miscellaneous	<u>30,256</u>	<u>61,890</u>
<b>Total</b>	<b>146,149</b>	<b>293,000</b>

## 5. Project Timeline

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Design Architects Selected	January 1999
Old de Young Closure	December 2000
Deinstallation of Collections	Spring 2001
Hazardous Material Removal	Fall-Winter 2001
EIR Certified	January 2002
Demolition	March-May 2002
Excavation/Groundbreaking	June 2002
New Construction	December 2002
Anticipated Substantial Completion	October 2004
Museum Opens to the Public	July 2005

## 6. Anticipated Challenges & Strategy

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The Fine Arts Museums of San Francisco have already met and successfully faced a number of challenges that have occurred during the short history of this project, and is prepared to meet any future challenges until the project is complete.

### ***Completion of Fundraising and Ensuring Proper Cash Flow:***

Among the early challenges to the project was the narrow defeat of two bond measures (in 1996 and 1998) to secure public funds for the new building. Rather than risk further (and potentially devastating) delays, the Trustees initiated plans to raise funds for the new building privately. A testament to the philanthropic and community-minded support from the Bay Area community, FAMSF has raised \$154.5 million to date from over 5,600 donors (toward a fundraising goal of \$165 million).

As co-borrowers, the Corporation of the Fine Arts Museums (COFAM; the private nonprofit arm of FAMSF) and the Fine Arts Museums Foundation (which manages, among other things, FAMSF's Endowment) are in the process of securing \$143,000,000 in tax-exempt Municipal Revenue Bonds through the ABAG Finance Authority for Nonprofit Corporations. The Revenue Bonds serve two purposes: 1) as pledge payments will be received over a period of several years, the Bond financing will ensure cash flow throughout the duration of the construction; 2) Bond funding will be applied to construction, and unrestricted cash raised through fundraising will be placed in interest-bearing investments. Over the course of the loan, the net revenue will offset the gap between the \$165 million fundraising goal and the \$202.3 million total project cost.

### ***Maintaining Fiscal Stability During Closure Period:***

Closure of the de Young and the loss of its revenue streams, have placed a significant but necessary financial burden on FAMSF until the new de Young opens. The recent downturn in the economy and the decline of tourism post-September 11 have further complicated income streams. Measures taken to maintain a balanced budget include an early retirement offering in 1999 in anticipation of de Young closure, reassignment of museum guards to other city posts, selected 5% and 10% across-the-board spending cuts, and the one-time use of unrestricted. Despite these challenges, FAMSF ended FY00-01 with a balanced budget and projects a balanced budget once again for FY01-02. Balancing the operating budget will continue to require vigilance and resourcefulness on the part of the board and staff until the new de Young opens in 2005, at which time FAMSF's economic strength will be restored and greatly enhanced.

## **7. Impact and Significance of Project**

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The building of the new de Young is one of San Francisco's most important cultural and civic projects in recent history. It is necessary to ensure the museum's future. It will provide necessary upgrades over the old facility and much-needed expansion for the growing collections and programs. It will also significantly increase access to the museum and its educational services for all audiences, restore the temporary exhibition program that has been such an integral part of the museum's program throughout its history, and restore our institution to full strength, programmatically and financially.

The necessity to rebuild the de Young from the ground up has also been a tremendous opportunity to re-envision the museum, its programming, and its capacity to serve all audiences to the highest degree possible. It has allowed our institution to design a new museum that better reflects the diversity in the collection and addresses the interconnections as well as the differences between the arts of differing cultural origin. The new museum will help position the Fine Arts Museums to continue to attract and engage new audiences and dramatically increase our capacity to meet the changing needs of the public for many decades to come.

## **8. Evaluation/Assessment Plan**

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An inclusive dialogue with the public has been essential to the New de Young project throughout its history. Numerous public workshops have been held, early in the planning process, and also during the architectural design process with architect Pierre de Meuron, in order to ensure that the new museum addresses all of the needs and the concerns of the audiences it serves. Such dialogues will continue to play an important role in the ongoing activities of the de Young during the museum's re-opening and beyond.

Upon re-opening, visitor feedback through a variety of mechanisms (comment forms, visitor surveys, electronic and written correspondence) will be integral to ensuring that visitor's needs are met. Comments and responses will be incorporated into ongoing discussions to continue to

optimize programs, services, and information assistance for all visitors, and will ultimately be reflected in future long-range planning efforts.

## **9. Qualifications of Organization and Staff**

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FAMSF project and management staff constitute a highly qualified and experienced team which has already managed and overseen the successful Legion of Honor renovation project. New de Young Project Manager Deborah Frieden has 20 years of building management experience, and also oversaw the Legion project. Design Architects Herzog & de Meuron are among the top architects in the world, and Architect of Record Fong & Chan have a proven track record with numerous successful projects throughout the Bay Area and beyond.

## **10. Relationship of Program to Similar Programs**

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The New de Young project is the second part of a master building plan that responds to structural inadequacies and seismic hazard at both the de Young and the Legion of Honor. The Legion project was successfully completed in 1995 to unprecedented popularity. The new de Young is also expected to result in a significant resurgence in public interest and involvement.

Unlike many capital projects currently underway throughout the United States, the building of the New de Young is born of absolute necessity and is essential to the continued existence of the museum itself.

## **11. Future Plans for the Program, Including Dissemination of Results**

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The New de Young is a high-profile project, and continues to garner strong local, national, and international attention in the media and among scholars. It is anticipated that the new building will draw significant attention and that much will be written about the project and the building. The project and its results will also be documented by FAMSF through publication, the FAMSF magazine and members guide, and the internet.

## COFAM April 2002 Operating Budget Report

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## **COFAM Operating Budget-In-Brief**

Month Ended 30 April 2002

### **Overview**

At 4/30/02 the budget was \$378k in the red, compared to the expectation of \$168k positive. The COFAM Reserve was \$2,420k, down \$290k from the month before.

Note that Rolling Forecast II is set out in Column 3 of the budget number summary. It relies upon propping up the budget with more than \$400k in one-time funds, freezing personnel vacancies, and imposing selected 5% and 10% other expense cuts to try to counteract both poor exhibition program performance during the first half of the FY and the Sept. 11 economic downturn. Although the forecast's operating bottom line is \$70k in the red, the actual outcome is too close to call.

Budget highlights at the end of April 2002 follow:

### **Support & Revenue**

At \$6,348k support was up \$621k due to the use of a one-time \$300k unrestricted gift, \$100k more from Goldsmith Fund income, and \$190k from New de Young funds to offset contributions to statewide propositions that included funds for cultural and recreational facilities. In the Annual Contributions line, Associates donations (\$5k and up) were running ahead, but Friends (\$1k -- \$2.5k) lagged budget, as did the Business Council and the Spring Mail Drive.

At \$4,481 revenues were off target by \$854k in the same areas since last fall. Store gross profit was off \$151k, facilities rentals off \$131k, general admissions off \$73k, member dues off \$306k, trip fees off \$166k – a budget aberration with expense offsets from the Italy trip cancelled after Sept. 11, adds for the Dutch trip, and ultimately breakeven trip results by year-end.





## Expenses

At \$6,108k personnel expenses ran \$102k below budget due to freezing vacant positions and savings from employees voluntarily reducing their workweeks. Exhibit Group personnel costs were down and largely offset by an increase in Exhibit Program Temporary Labor – the result of using the additional \$100k of Goldsmith Fund income to pay for regular operating personnel expenses attributable to the *Dada* show to help balance the budget.

At \$4,752k other expenses were \$361k over budget. Exhibit costs were \$118k of this overage due to *Thiebaud* exhibit art being returned to lenders by truck rather than planes after the Sept. 11 terrorist attacks. Front-end costs for the road tour of *American Accents* were running \$46k higher than expected and were covered with Root endowment income for American art. The Administration General line was up \$244k year-to-date primarily due to the \$150k Proposition 40 contribution and a \$40k Traffic Relief Committee contribution. Both measures include funding for cultural and recreational facilities. The New de Young Fund was used to cover these costs.

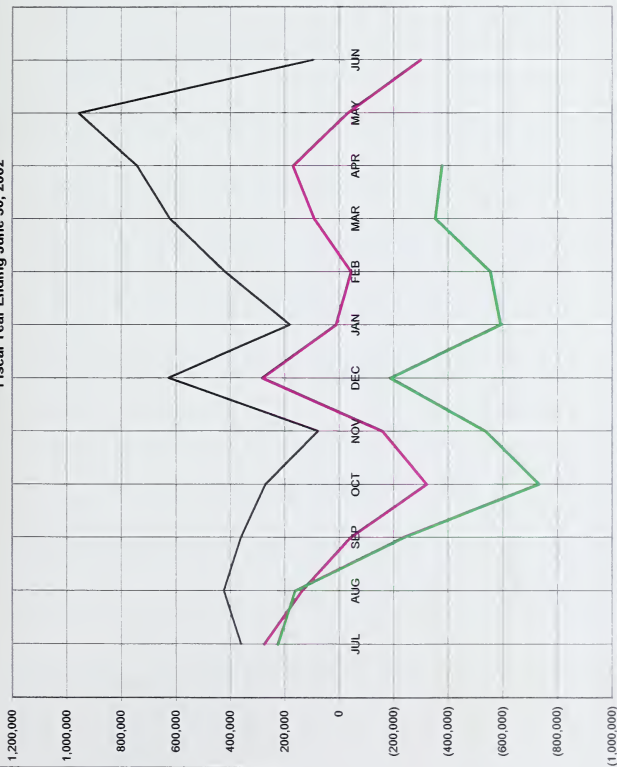
Membership costs were down \$131k partially offsetting the drop in dues income. The overage for offsite facilities was included in the interim budget revision to correct a mistake in the original budget. The remaining other expense variations from budget are expected to even out before year's end and track rolling forecast budget savings goals.

# # #

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COFAM CUMULATIVE SURPLUS (LOSS) CHART  
Fiscal Year Ending June 30, 2002





\$ In thousands

	(1)			(2)		(3)	Rolling Forecast II @ 5/1/02	Variance to Original Budget	(4)
	April Original Budget	Actual	Variance to M-T-D Budget	10 Months Original Budget	Actual				
<b>SUPPORT &amp; REVENUE</b>									
<b>Support</b>									
1) Annual Contributions	240	153	(87)	2,082	2,305	2,700	3,000	300	1,692
2) Foundation Endowment Support	184	184	(0)	1,836	1,835	2,203	2,203	-	1,758
3) Specified Funds									
--Curatorial/Conservation	29	39	9	308	424	391	447	58	354
--Education	0	0	0	50	66	50	77	27	55
--Exhibitions	75	(9)	(84)	354	369	469	569	80	178
--Education Programs	53	4	(49)	221	230	321	442	121	236
--Offsite Facilities	47	42	(5)	465	414	561	561	-	0
--General	0	67	67	166	531	217	567	350	467
Subtotal Specified Funds	204	163	(41)	1,592	2,036	2,039	2,663	644	1,308
4) COFAM Investment Income	19	24	5	237	172	275	230	(45)	267
Subtotal Support	646	523	(123)	5,727	6,346	7,217	6,116	899	5,245

See page 6.



COFAM FY 2001-02 April Budget Report (10 Months -- 83.3% Of The Budget Year)

Page 2

\$ in thousands

	(1)		(2)		Variance to Y-1-D Budget	Original Budget	Rolling Forecast II @ 5/1/02	Variance to Original Budget	(4) Actual Prior Year At 10 Months	
	April Original Budget	Actual	10 Months Original Budget	Actual						
<b>Revenue</b>										
5) Museum Store Sales	159	112	1,122	656	(264)	1,234	650	(364)	1,981	See page 7
Less Discounts	(6)	(4)	(46)	(40)	5	(51)	(42)	9	(171)	
Less Cost of Goods	(86)	(57)	(598)	(483)	118	(659)	(417)	242	(1,025)	
Less Commissions and Royalties	(1)	0	(5)	(13)	(9)	(6)	(15)	(10)	0	
Gross Profit	67	51	472	321	(151)	518	376	(142)	794	
6) Facilities Rental Gross	46	17	513	352	(131)	604	468	(136)	524	
7) Benefits Gross Income / AirPoint	17	1	190	152	(38)	190	160	(30)	148	
8) General Admissions COFAM Net	69	98	614	741	(73)	940	636	(104)	1,105	
9) Food & Beverage Concession Fees	11	10	107	112	5	125	125	-	149	
10) Exhibition Program Earned Income	5	29	229	244	14	232	239	7	296	See pages 8
11) FAM Membership Dues	236	231	2,253	1,947	(306)	2,748	2,398	(350)	2,301	
12) Conservation Services	16	14	304	274	(30)	370	330	(40)	202	
13) Miscellaneous	0	0	250	64	(186)	250	65	(185)	122	
--Development Trip Fee	2	2	27	27	0	32	32	-	175	
--Publication Sales Net	19	36	17	196	23	214	214	-	209	
--Other Fees										
Subtotal Revenue	510	490	5,334	4,461	(854)	6,224	5,263	(960)	6,168	
Total Support & Revenue	1,156	1,014	11,062	10,829	(233)	13,441	13,379	(61)	11,411	

Museum Attendance:

Legion - April 2002: 34,785 visitors, 42.6% paid, budgeted - 30,000 visitors, 45% paid  
Year to date: 280,464 visitors, 41.6% paid, budgeted - 300,000 visitors, 45% paid

Membership:

Year to date: 29,574 dues paid members averaging \$65.84 per member  
compared to budgeted goals of 35,265 dues paid members averaging \$63.90 per member.





## COFAM FY 2001-02 April Budget Report (10 Months -- 83.3% Of The Budget Year)

\$ In thousands

## EXPENSES

## Personal Expenses

	(1)			(2)		(3)		(4)
	April Original Budget	Actual	Variance to M-T-D Budget	10 Months Original Budget	Actual	Variance to Y-T-D Budget	Original Budget	Actual Prior Year At 10 Months
14) Curatorial								
Curatorial/Conservation/Education	197	161	(16)	2,084	2,013	(71)	2,592	2,025
Project Funded/Term Employees	41	47	8	437	453	16	532	448
Exhibit Group	77	67	(10)	623	677	(148)	1,001	671
Exhibit Program Temporary Labor	3	5	2	64	159	95	67	190
15) Development								
Development - General	48	47	(1)	503	508	7	620	457
Membership	36	38	2	380	390	(9)	482	348
16) Administration								
Administration General	101	98	(3)	1,054	1,008	(47)	1,309	967
Operations Group	25	25	(1)	271	260	(10)	328	248
17) Marketing								
Media Relations & Advertising	24	23	(1)	249	237	(12)	307	234
Stores	25	38	11	269	316	48	330	313
Facilities Rental	7	11	3	77	95	19	95	86
Subtotal Personal	594	577	(7)	6,210	6,108	(102)	7,633	5,949



\$ in thousands

	(1)			(2)		(3)	Rolling Forecast II @ 5/1/02	Variance to Original Budget	(4) Actual Prior Year At 10 Months
	April Original Budget	Actual	Variance to M-T-D Budget	10 Months Original Budget	Actual				
<b>Other Expenses</b>									
19) Curatorial									
Curatorial/Conservation/Education	43	27	(16)	408	393	(15)	515	481	(34)
Publications	0	0	0	50	68	18	50	68	18
Exhibit Group	9	6	(3)	86	77	(10)	109	96	(11)
Exhibit Program	78	11	(66)	590	699	118	698	992	94
19) Development									
Development - General	21	19	(2)	439	323	(117)	598	433	(165)
Art Point	10	2	(8)	88	33	(53)	84	30	(54)
Benefits	10	0	(10)	105	128	21	190	130	(80)
Membership	70	22	(48)	424	283	(131)	548	448	(100)
Magazine / Guide	33	52	20	231	245	14	317	317	-
20) Administration									
Administration General	86	96	9	882	1,106	244	1,090	1,241	151
Operations Group	14	15	1	132	187	35	172	158	(16)
Officials	83	76	13	821	747	(74)	752	932	180
									0
									1,079
									805
									0

Continued...



## COFAM FY 2001-02 April Budget Report (10 Months -- 83.3% Of The Budget Year)

\$ in thousands

	(1)			(2)			(3)	Rolling Forecast II @ 5/1/02	Variance to Original Budget	(4)
	April Original Budget	Actual	Variance to M-T-D Budget	10 Months Original Budget	Actual	Variance to Y-T-D Budget				
Other Expenses Continued										
21) Marketing										
Media Relations & Advertising	30	32	2	368	300	(68)	456	441	(15)	349
Stores	5	6	3	36	62	24	46	55	7	80
Facilities Rental	10	4	(6)	143	116	(27)	164	130	(34)	155
Subtotal Other Expenses	461	367	(114)	4,573	4,752	179	5,999	5,950	(49)	4,660
22) City Partial Reimbursement for Education Program	(16)	0	16	(182)	0	182	(243)	-	243	(243)
Total Expenses	1,049	944	(104)	10,001	10,660	256	13,389	13,449	60	10,366
SUPPORT & REVENUE OVER EXPENSES	107	69	(38)	460	(31)	(491)	51	(70)	(121)	1,045
LESS PLANT FUND EXPENSE	(29)	(93)	(64)	(392)	(347)	(55)	(350)	(350)	0	(302)
THE BOTTOM LINE	78	(24)	(102)	166	(376)	(546)	(299)	(420)	(121)	742









Appendix B -- Stores Report: 7 Months Ended March 31, 2002  
\$ in thousands

	In House Merchandising.....		Outside Merchandising.....	
	(1)	(2)	(3)	
	Legion Store	Internet Store	Wholesale & Royalties	
	Budget	Budget	Budget	Actual
Sales	681	0	3	51
Discounts	(34)			46
Cost of Goods	(354)	0	(1)	(30)
Commissions & Royalties	0	0	0	(12)
				(7)
Gross Profit	293	0	2	13
				4
Personnel Expenses	269	0	0	0
Other Expenses	33	0	9	0
				0
Total Expenses	302	0	9	0
				20
Gross Profit Over Expenses	(10)	0	(7)	13
				(16)
Variance Actual to Budget			(7)	(28)

	Exhibition Merchandising.....		Dada/Surrealism Store		Grand Totals	
	(4) Moore Store Budget	Actual	(5) Budget	Actual	Budget	Actual
Sales	95	7	295	181	1,122	858
Discounts	(3)	(0)	(9)	(7)	(46)	(40)
Cost of Goods	(52)	(4)	(162)	(90)	(599)	(483)
Commissions	0	0	0	(1)	(7)	(13)
Gross Profit	40	2	124	83	470	321
Personnel Expenses	0	3	0	40	269	318
Other Expenses	2	2	3	7	38	62
Total Expenses	2	5	3	46	307	380
Gross Profit Over Expenses	39	(2)	121	37	163	(59)
Variance Actual to Budget		(41)		(84)		(222)



In-House Exhibitions

v e n u e	(1) Runs	(2) Cost			(3) Gifts and Grants		(4) Income		(5) Net	
		Original	Revised		Original	Revised	Original	Revised	Original	Revised
1	L	23-Jun-01	15-Sep-01	Henry Moore: Sculpting the 20th Century (110)	\$ 80,840	\$ 33,203	106,455	\$3,936	25,815	20,733
2	L	ongoing		Logan Book Gallery (3 rotations) (185)	\$ 8,800	\$ 8,800			(8,800)	(8,800)
3	L	20-Oct-01	10-Feb-02	Marks of Creativity: Recent Art, Of Coll. Drawings (AGFA) (142)	\$ 8,200	\$ 8,200			(8,200)	(8,200)
4	L	06-Oct-01	08-Jan-02	The Artist Book in the Modern Era, 1970-2000 The Rare and David Logan Collection (155)	\$ 93,240	\$ 93,240			(93,240)	(93,240)
5	L	01-Nov-01	02-Jul-01	Triumph of Fortitude (Iselle relation) (123)	\$ 5,570	\$ 5,570			(5,570)	(5,570)
6	L	19-Jan-02	14-Apr-02	Richard Diebenkorn: Clubs and Spades (170)	\$ 10,950	\$ 10,950			(10,950)	(10,950)
7	L	28-Jun-02	30-Jun-02	New Acquisitions from the Marcia and John Friedle Collection (143)	\$ 46,700	\$ 46,700			(46,700)	(46,700)
8	L	02-Feb-02	28-Apr-02	Dreaming with Open Eyes: Dada and Surrealism from the Arturo Schwarz Collection (107)	\$ 283,918	\$ 363,918	283,918	Goldsmith fund	15,000	15,000
9	L	20-Apr-02	11-Aug-02	Recent Acquisitions of Contemporary Art (156)	\$ 8,350	\$ 8,350			(8,350)	(8,350)
10	L	18-May-01	06-Jul-01	Herodian Temple Mount (133)	\$ 71,033	0	80,000	0 IAA	(11,033)	0
11	L	25-May-02	07-Jul-02	Hard Edge (145)	\$ 10,650	\$ 10,650			(10,650)	(10,650)
12	L	06-Jun-02	25-Aug-02	Michel Sweets (124)	\$ 212,804	\$ 212,804		25,000 NEA	(212,804)	(187,804)
Subtotal In-House Exhibitions					\$ 814,855	\$ 798,385	423,918	388,916	121,455	68,936
FAM Travelling Exhibitions										
13	L	26-Jun-01	23-Sep-01	Thibaud to Whitney (147)	\$ 75,000	\$ 193,011	85,000	110,000	10,000	(83,011)
14	L	07-Oct-01	06-Jan-02	Anderson 2000 to Albuquerque (161)	\$ 20,450	\$ 20,450	20,450	20,450	0	0
15	L	TBD	TBD	American Paintings (168)	\$ 75,000	\$ 131,000	75,000	131,000	0	0
16	L	TBD	TBD	Allport Exhibitions (160)			5,000	5,000	5,000	5,000
17	L			Leonard Baskin (possible tour to NY before Fall 2002 in Maine)			0	0	0	0
18	L			John Cage (possible touring exhibition to Oregon/North Carolina)					0	(10,497)
19	L			Gantner-Meyer Travels	\$ 45,467				38,000	
Subtotal Travelling Tours					\$ 170,450	\$ 388,958	\$ 75,000	\$ 131,000	\$ 110,450	\$ 170,450
Total In House and Travelling Exhibitions					\$ 985,305	\$ 1,186,343	498,918	519,916	(254,482)	(427,039)



\$ in thousands

## ASSETS

Cash	682
Cash Equivalents	11,953
Accounts Receivable	558
Prepaid Expenses	874
Note Receivable	250
Inventory - Store	729
Inventory - Publications	463
Investment in Stocks and Bonds	589
Furniture & Equipment (Net)	325
	<u>16,423</u>

## LIABILITIES &amp; FUND BALANCES

Accounts Payable	198
Other Accrued Liabilities	1,253
Deferred Income - Restricted	9,911
Deferred Income - Unrestricted	370
Fund Balances	
Unrestricted Fund	3,605
Plant Fund	(2,171)
Revenues over Expenses	3,257
(Note 2)	
	<u>16,423</u>

## COFAM Reserve At 4/30/02

2,420

## Note 1 -- Reserve Formula

Cash & Cash Equivalents	12,635
Bonds	589
Accounts Receivable	558
Less Accounts Payable	(198)
Less Other Accrued Liabilities	(1,253)
Less Deferred Income - Restricted	(9,911)
	<u>2,420</u>

## Note 2 -- Revenues over Expenses

Operating Revenue over Expenses	(31)
Plus Plant Fund	2,911
Plus Restricted Funds	377
Less Airport Fund	0
Surplus / (Deficit)	<u>3,257</u>



## COFAM Balance Sheet At March 31 2002

\$ in thousands

## ASSETS

Cash	748
Cash Equivalents	12,850
Accounts Receivable	3,771
Prepaid Expenses	882
Note Receivable	250
Inventory - Store	595
Inventory - Publications	555
Investment in Stocks and Bonds	639
Furniture & Equipment (Net)	344
	<u>20,634</u>

## LIABILITIES &amp; FUND BALANCES

Accounts Payable	251
Other Accrued Liabilities	4,505
Deferred Income - Restricted	10,542
Deferred Income - Unrestricted	3,722
Fund Balances	
Unrestricted Fund	3,605
Plant Fund	(2,171)
Revenues over Expenses	180
(Note 2)	
	<u>20,634</u>

## COFAM Reserve At 3/31/02

2,710

## Note 1 -- Reserve Formula

Cash & Cash Equivalents	13,598
Bonds	639
Accounts Receivable	3,771
Less Accounts Payable	(251)
Less Other Accrued Liabilities	(4,505)
Less Deferred Income - Restricted	(10,542)
	<u>2,710</u>

## Note 2 -- Revenues over Expenses

Operating Revenue over Expenses	(100)
Less Plant Fund	(253)
Plus Restricted Funds	533
Less Airport Fund	0
Surplus / (Deficit)	<u>180</u>





## Summary & Narrative

### COFAM FY 2002-03 Operating Budget Proposal

5 June 2002

#### Summary

- At \$16.9 million, the proposed budget has an \$862k forecast deficit to be covered by New de Young Fund past earnings.
- Operating deficits are anticipated for the next three FYs until the New de Young Museum opens in Summer 2005. Deficit forecasts have been discussed by the COFAM Budget Committee and the Board of Trustees for several years and are part of the new de Young Museum planning process.
- Earned revenue forecasts next FY are heavily dependent upon the success of the *Eternal Egypt* exhibition from the British Museum (8/10 – 11/11/02). During this period, Legion of Honor visitor capacity is taken to the maximum at 67,000 visitors per month, with 60% paid attendance and a \$14 adult fee (\$8 general admission plus a \$6 surcharge), \$12 for seniors, \$11 for youths, and \$6 for children.
- Personnel costs are up nearly \$900k to \$8.5 million despite nine positions lost by attrition. There are two main cost drivers. One is a \$340k increase in pension fund contributions – the recommendation of the new actuary to lower the investment return assumption, update mortality



expectations, and meet certain I.R.S. funding triggers. The second personnel cost driver is almost \$700k in temporary salaries, a combination of staffing for the *Egypt* show and grant-paid projects.

- Other expenses are up \$2.3 million to \$8.3 million. Over half the increase is the *Egypt* show. Please see page 6 for a summary of major other expense increases. Many of these expenses were formerly covered by the New de Young Fund, which becomes an investment fund after the bond offering to generate money for annual debt service and eventual bond redemption. Other major expenses are offset by grants such as Ford Motor Co. help with *Egypt* advertising.

# # #

### **Budget Narrative**

A line-by-line budget narrative follows, explaining the numbers in greater detail.



## **Support -- \$7.9 Million**

**Annual Contributions** have a \$3 million goal, up \$300k from the current fiscal year to help narrow the operating deficit gap while the new de Young is being built.

**Foundation Endowment Support** at \$2,171k is about the same, based on a 5% distribution rate applied to a 36-month trailing average value at March 31<sup>st</sup>.

**Specified Funds** at \$2,548k include known restricted grants and donations and a \$50k plug for anticipated exhibition grants. Appendix B on page 7 of the budget summarizes these funds.

**COFAM Investment Income** at \$200k is down \$75k due to lower interest rates. Funds are generally invested in short-term, high-grade commercial paper.

## **Revenue -- \$8.3 Million**

Revenues are up \$2,065k from the current year budget. This substantial increase depends upon the success of the *Eternal Egypt* show to fill the Legion to capacity for three months with a \$14 adult ticket, \$12 seniors, \$11 youths, and \$6 children.

The visitor forecast drives general admission revenue, exhibition income, store sales, and café concession fees.

Attendance projections are based on recent visitor patterns and anticipated exhibition popularity. This exercise is a judgment call and is subject to revision as warranted during the FY.

There are three major Legion exhibitions next FY: *Eternal Egypt* (8/10 – 11/11/02), *Castig a Spell: Winslow Homer, Artist and Angler* (12/7/02 – 2/9/03), and *Leonardo da Vinci and the Splendor of Poland* (3/8 – 5/18/03).



Exhibit surcharges, in addition to regular admission fees, are \$6 for *Egypt*, \$2 for *Homer*, and \$4 for *Leonardo*. Paid attendance at 60% is assumed for all three big shows.

In FY 2002-03, Legion attendance is forecast to be 440,000, compared to the 309,000 visitors estimated for the current FY. General admission fees are \$8 for adults, \$6 seniors, and \$5 youths. Children under age 12 are free, as are members, San Francisco K-12 students and educational groups. Ford Free Tuesdays continue to be very popular.

**General Admissions** revenue is pegged at \$1,264k up \$324k from the current year. Forecast attendance of 440k and special *Egypt* store sales drive **Store Gross Profits** to \$1,154k with a net of \$596k. **Food and Beverage Concession Fees** at \$142k are forecast to be slightly up.

**Facility Rental Gross Income** is forecast at \$511k, down \$93k. With the recession, corporate rentals at \$335k are off, but Legion Café wedding and Gould Theater rentals at \$176k do a bit better than current.

**Benefits Gross Income / ArtPoint** events at a \$265K gross are planned to generate a modest profit of \$20k.

**Exhibition Program Earned Income** at \$1,355k is up \$1,123k, relying on heavy *Eternal Egypt* attendance.

**Membership Dues** income at \$2,587k is based on growing memberships from an estimated 35k members at 6/30/02 to 40k next FY. Working the *Eternal Egypt* lines is a key activity to boost membership revenue in the first half of the FY. During the second half, the *Homer* and *Leonardo* shows will be the main membership promotion vehicles.

**Conservation Service Fees** at \$487k are paid by outside lab clients. Lab expenses are offset by fee income, and the Museums gain some extra conservator time and expertise for permanent collections and traveling exhibitions.

**Development Trip Fees** at \$250k and expenses are budgeted to break even. The





**Publications Sales Net** at \$34k is income from the sale of the Museums' own publications, particularly exhibition catalogues for FAM-organized shows. **Other Fees** at \$240k run the gamut from docent lecture fees to photo reproduction use rights.

### **Total Expenses and City Reimbursement**

Total expenses are \$16,845k with \$8,513k in personnel costs and \$8,332k in other expenses.

### **Personnel Expenses -- \$8.5 Million**

In FY 2002-03, the Museums will have a combined COFAM / City ongoing workforce of 139 positions – 81 are on COFAM's payroll, and 58 are on the City's. The City-paid workforce is down 7 positions of which 5 are vacancies and 2 will be transfers to the Asian Art Museum. The COFAM payroll is down 9 jobs by attrition.



At \$8,513k COFAM personnel costs are \$879k higher, owing to the previously noted \$340k hike in pension contributions to \$808k next FY, and almost \$700k in temporary salaries to staff major exhibitions and grant-paid projects. Professional and management employees have a 3.5% merit pool; union wages are up 3.5%. Health benefits rose about 20%. Overall, benefits tally to 35% of salaries, compared to 28% a year ago, primarily because of the pension contribution increase.

Personnel costs for next FY include an attrition savings of \$100k. Also, the 50% New de Young Fund expense reimbursement of the Director of Development and Deputy Director for Marketing & Communications salaries is not continued in FY 2002-03.

### **Other Expenses -- \$8.3 Million**

Other expenses total at \$8,332k are up \$2,333k. A detailed rundown of other expenses is included in Appendix I on page 14 of the budget. Significant other expenses increases are summarized below.

### **Significant Other Expense Increases**

	Original FY 01-02 Budget	Proposed FY 02-03 Budget	\$ Thousands Change
1. Publications	50	100	50
Homer catalogue – cost offset by restricted grant			



\$ Thousands

	Original FY 01-02 <u>Budget</u>	Proposed FY 02-03 <u>Budget</u>	<u>Change</u>
2. Exhibit Program	898	2,278	1,380
Egypt/Homer/Leonardo			
3. Development General	598	739	141
Adds New de Young fund-raising previously charged to New de Young Fund			
4. Member Magazine	127	175	48
Incorporates annual report & fund-raising			
5. Administration General	1,090	1,298	208
+ 50 New de Young groundbreaking offset by restricted grant			
+ 110 Contribution to State Proposition Campaign for New de Young Support			
+ 43 Ford Tuesdays			
6. Offsite Facilities	752	967	215
Corrects deletion of 233 Post Street from FY 01-02 original budget			



\$ Thousands

	Original FY 01-02 <u>Budget</u>	Proposed FY 02-03 <u>Budget</u>	<u>Change</u>
7. Media Relations & Advertising	456	756	300
+ 60 New de Young Federal government relations – previously from New de Young Fund			
+ 40 Branding implementation – previously from New de Young Fund			
+ 105 Ford Tuesdays advertising			
+ 107 Ford <i>Egypt</i> advertising			
8. City Partial Reimbursement for Education / Administrative/Operating Expenses	(243)	-0-	243
Totals			2,585

#      #      #





# **COFAM FY 2002-03 Operating Budget Proposal**

5 June 2002

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**COFAM FISCAL YEAR 2002 - 03 OPERATING BUDGET PROPOSAL - 6/5/02**

\$ in thousands

**SUPPORT & REVENUE**

**Support**

1) Annual Contributions					
2) Foundation Endowment Support					
3) Specified Funds					
--Curatorial/Conservation					
--Publications					
--Exhibitions					
--Education Programs					
--Offsite Facilities					
--General					
Subtotal Specified Funds					
4) COFAM Investment Income					
Subtotal Support					

(1)	(2)	(3)	(4)	(5)
FY 00-01 Actual	FY 01-02 Original Budget	FY 01-02 Rolling Forecast II 9/1/02	FY 02-03 Proposed Budget 9/5/02	Variance Proposed Budget to FY01-02 Original Budget
2,498	2,700	3,000	3,000	300
2,151	2,203	2,203	2,171	(32)
445	391	447	608	217
0	50	77	100	50
297	499	589	417	(82)
488	321	442	391	70
-	561	561	468	(93)
567	217	567	564	347
1,797	2,039	2,683	2,548	509
350	275	230	200	(75)
6,796	7,217	8,116	7,919	702

See Appendix A page 6.

5% market value on 3-year rolling average.

See Appendix B page 7.

See Appendix C page 8.

Up by Ford grants.



**COFAM FISCAL YEAR 2002 - 03 OPERATING BUDGET PROPOSAL - 6/5/02**

\$ in thousands

**Revenue**

- 5) Museum Store Sales  
Less Discounts  
Less Cost of Goods  
Less Commissions and Royalties

Gross Profit

- 6) Facilities Rental Gross

- 7) Benefits Gross Income / ArtPoint

- 8) General Admissions COFAM Net

- 9) Food & Beverage Concession Fees

- 10) Exhibition Program Earned Income

- 11) FAM Membership Dues

- 12) Conservation Services

- 13) Miscellaneous

—Development Trip Fees

—Publication Sales Net

—Other Fees

Subtotal Revenue

Total Support & Revenue

(1) FY 00-01 Actual	(2) FY 01-02 Original Budget	(3) FY 01-02 Rolling Forecast II 5/1/02	(4) FY 02-03 Proposed Budget 6/5/02	(5) Variance Proposed Budget to FY01-02 Original Budget
2,362	1,234	850	2,737	1,503
(185)	(51)	(42)	(103)	(52)
(1,235)	(659)	(417)	(1,475)	(816)
0	(5)	(15)	(5)	-
942	519	377	1,154	635
609	604	468	511	(93)
148	190	160	265	75
1,405	940	836	1,264	324
178	125	125	142	17
357	232	239	1,355	1,123
2,787	2,748	2,398	2,587	(161)
325	370	330	487	117
123	250	85	250	-
178	32	32	34	2
266	214	214	240	26
7,318	6,224	5,264	8,289	2,065
14,114	13,441	13,380	16,208	2,767

See Appendix D page 9.

Corporate Evenings \$335K, Legion Café/Theater \$176K

Christmas Gala / ArtPoint events/ Tribal Arts

See Appendix E page 10.

See Appendix F page 11.

See Appendix C page 8.

See Appendix G page 12. To 40K paid members from estimated 35K @ 6/30/02.

Gross revenue with a 65% COGS.

See Appendix H page 13.



# COFAM FISCAL YEAR 2002 - 03 OPERATING BUDGET PROPOSAL - 6/5/02

\$ in thousands

## Personnel Expenses

### 14) Curatorial

Curatorial/Conservation/Education

Project Funded/Term Employees

Exhibit Group

Exhibit Program Temporary Labor

### 15) Development

Development - General

Membership

### 16) Administration

Administration General

Operations Group

### 17) Marketing

Media Relations & Advertising

Stores

Facilities Rental

Subtotal Personnel

(1) FY 01-01 Actual	(2) FY 01-02 Original Budget	(3) FY 01-02 Rolling Forecast II 5/1/02	(4) FY 02-03 Proposed Budget 6/5/02	(5) Variance Proposed Budget to FY01-02 Original Budget
2,465	2,562	2,492	2,434	(128)
515	532	502	779	247
825	1,001	852	969	(32)
197	87	188	347	260
558	620	606	729	109
426	462	476	524	62
1,198	1,309	1,284	1,398	89
303	329	334	361	32
290	307	296	391	84
397	330	383	486	156
111	95	86	94	(1)
7,287	7,634	7,499	8,513	879

## Notes

Total personnel costs are up \$879K.

Major factors include:

Professional/Managerial increase at 3.5% merit pool = \$88K.

Union wage increases at 3.5% = \$99K.

Benefits = 35% of salaries.

Pension up \$340K for a total of \$808K.

Health benefits up about 20%.

One-time labor increases, including project funded/term employees, exhibit temporary labor, and store temporary labor.

	FY 02-03	FY 01-02	Change
COFAM operating positions	81	90	(9)
City positions	58	65	(7)
Total positions	139	155	(16)





**COFAM FISCAL YEAR 2002 - 03 OPERATING BUDGET PROPOSAL - 6/5/02**

\$ in thousands

**Other Expenses**

	(1) FY 00-01 Actual	(2) FY 01-02 Original Budget	(3) FY 01-02 Rolling Forecast II 5/1/02	(4) FY 02-03 Proposed Budget 6/5/02	(5) Variance Proposed Budget to FY01-02 Original Budget	Notes
18) Curatorial						
Curatorial/Conservation/Education	755	515	481	512	(3)	
Publications	3	50	68	100	50	
Exhibit Group	106	109	98	132	23	
Exhibit Program	1,003	898	992	2,278	1,380	
19) Development						
Development - General	586	598	433	739	141	
Art Point	50	94	30	80	(14)	
Benefits	89	190	130	165	(25)	
Membership	540	546	446	571	25	
Magazine / Guide	403	317	317	365	48	
20) Administration						
Administration General	1,405	1,090	1,241	1,298	208	
Operations Group	739	172	156	164	(8)	
Offsites	0	752	932	967	215	

See Appendix I pages 14 through 20 for details.

Continued



**COFAM FISCAL YEAR 2002 - 03 OPERATING BUDGET PROPOSAL - 6/5/02**

	(1)	(2)	(3)	(4)	(5)	Notes
\$ in thousands						
Other Expenses Continued						
21) Marketing						
Media Relations & Advertising	589	456	441	756	300	
Stores	111	48	55	72	24	
Facilities Rental	194	164	130	133	(31)	
Subtotal Other Expenses	6,574	5,999	5,950	8,332	2,333	
22) City Partial Reimbursement for Education Program / Administration and Building Operation Expenses	(243)	(243)	-	-	243	
Total Expenses	13,618	13,380	13,449	16,845	3,455	
SUPPORT & REVENUE OVER EXPENSES	496	51	(70)	(637)	(688)	
LESS PLANT FUND EXPENSE	(399)	(350)	(350)	(225)	125	
THE BOTTOM LINE	97	(299)	(420)	(862)	(563)	
OPERATING DEFICIT ASSISTANCE FROM NEW DE YOUNG FUND PAST EARNINGS				862		



\$ in thousands

Contribution Categories	(1) FY 91-92 Actuals	(2) FY 92-93 Actuals	(3) FY 93-94 Actuals	(4) FY 94-95 Actuals	(5) FY 95-96 Actuals	(6) FY 96-97 Actuals	(7) FY 97-98 Actuals	(8) FY 98-99 Actuals	(9) FY 99-00 Actuals	(10) FY 00-01 Actuals	(11) FY 01-02 Original Budget	(12) FY 02-03 Proposed
1) Associates (\$5,000 and up)	888	968	928	1,002	1,066	1,416	2,059	1,599	1,642	1,588	1,800	1,800
2) Patrons (\$2,500 - \$5,000)	0	0	0	0	25	68	100	129	158	154	175	175
3) Friends (\$1,000 - \$2,500)	165	162	166	212	360	394	399	456	424	398	480	475
4) National Council/Other	85	7	10	18	49	61	62	61	56	39	50	45
5) Mail Drive	181	163	170	109	182	114	146	143	4	42	100	200
6) Phone Campaign	190	140	92	120	11	77	10	96	7	0	0	0
7) Business	108	127	64	71	98	117	132	122	107	117	130	130
8) Foundations	64	54	59	91	88	79	134	86	86	161	165	175
	1,881	1,821	1,489	1,623	1,879	2,326	3,042	2,694	2,484	2,499	2,700	3,000



## APPENDIX "B" - SPECIFIED FUND REVENUE - FISCAL YEAR 2002-03

DESCRIPTION	PROJECT #	FY 2002-03 REVISED BUDGET	FY 2002-03 BUDGET	VARIANCE	SOURCE
<b>CURATORIAL</b>					
AMERICAN ART PERSONNEL COSTS		249,708	270,094	10,386	ROOT
CONSERVATION PERSONNEL (CON PPG/SUBJECTS)		54,148	58,312	2,166	ROOT
AMERICAN ART NON-AAA MICROFILM AND BOOKS	750	2,000	3,000	1,000	PERMANENTLY LIBRARY FUND (FAMF)
CONSERVATION SUPPORT		35,800	37,000	1,200	COOK - (FAMF)
RARE BOOK AND PORTFOLIO STORAGE	625	10,000	0	(10,000)	MIRIEL
CONSERVATION OF PHOTOGRAPHY	742	3,000	3,000	0	PERMANENTLY LIBRARY FUND (FAMF)
TAC CONSERVATION INTERN	727	6,324	10,000	3,676	TAC
TRUMPH OF JUSTICE CONSERVATION		0	0	0	HECKSCHER - \$1.3K, AUXILIARY - \$5K
CONSERVATION OF PHOTOGRAPHY		0	0	0	PERMANENTLY LIBRARY FUND (FAMF)
COLLECTION DOCUMENTATION		0	50,000	50,000	WALLIS FOUNDATION
TEXTILE COLLECTION IMAGING	776	0	74,965	74,965	NEH - \$148.9K OVER TWO YEARS
MARIE ANTOINETTE CATALOG CONSERVATION		0	50,000	50,000	WALLIS FOUNDATION
INSTITUTIONAL TEXTILE DEPARTMENT SUPPORT		0	50,000	50,000	VON HESS FOUNDATION
<b>TOTAL CURATORIAL</b>		<b>\$97,341</b>	<b>\$607,771</b>	<b>210,430</b>	
<b>PUBLICATIONS</b>					
LOGAN BOOKS CATALOG	370	52,500	100,000	(52,500)	MELLON - \$50K, LOGAN - \$2.5K
WINSLOW HOMER CATALOG		21,000	100,000	(80,000)	JAMISON
MILLER EUROPEAN DEC ARTS CATALOG		76,500	100,000	(23,500)	MELLON
<b>TOTAL PUBLICATIONS</b>		<b>149,500</b>	<b>300,000</b>	<b>(150,500)</b>	
<b>EXHIBITIONS</b>					
DREAMING WITH OPEN EYES, DADA, SURREALISM	107	365,603	0	(365,603)	GOLDSMITH FUND
AMERICAN ACCENTS	166	75,000	0	(75,000)	ROOT FUND
WINSLOW HOMER - ARTIST AND ANGLER	132	18,787	18,787	0	OSHER - \$100K, ROOT - \$17K
THE LIFE OF WINSLOW HOMER	131	200,000	200,000	0	PERMANENTLY LIBRARY FUND (FAMF)
LEONARDO AND THE SPLENDORS OF POLANO	183	100,000	50,000	(50,000)	AUXILIARY
GRANTS AND GIFTS TO BE RAISED		0	0	0	OSHER - \$100K, ROOT - \$17K
<b>TOTAL EXHIBITIONS</b>		<b>539,603</b>	<b>418,787</b>	<b>(120,816)</b>	
<b>EDUCATION PROGRAMS</b>					
EDUCATION PROGRAM - GENERAL		165,000	165,000	0	CAC - \$1.5K, WELLS FARGO - \$50K
EDUCATION PROGRAM - GENERAL		21,000	21,000	0	HEARST - \$2.5K, MARBORG - \$10K, HALLSBROUGH - \$1.5K, EL DORADO - \$3K
POET IN THE GALLERIES	734	122,000	107,000	(15,000)	CAC - \$5K, HARRISON - \$18K, HEARST - \$3K
MUSEUM AMBASSADORS		32,300	32,300	0	ADAMS - \$5K, HEARST - \$18K, LUMIE - \$27K, GELLERT - \$8K, EL DORADO - \$3K
BRADLEY ORGAIN CONCERTS AND LECTURES	701	32,300	32,300	0	PERMANENTLY LIBRARY FUND (FAMF)
LEGION YOUTH CONCERTS		8,000	8,000	0	BRADLEY FUND
ARTISTS' STUDIOS	801	11,800	3,527	(8,273)	FAMF FUND 480 - 0000
YOUTH ARTS FESTIVAL	757	11,800	11,800	0	PERMANENTLY LIBRARY FUND (FAMF)
<b>TOTAL EDUCATION</b>		<b>442,400</b>	<b>390,727</b>	<b>(51,673)</b>	CHEVRON
<b>OFFSITE FACILITIES</b>					
WAREHOUSE		54,000	55,647	1,647	INSTITUTE OF MUSEUM AND LIBRARY STUDIES
DE YOUNG ART CENTER		200,000	92,595	(107,405)	INSTITUTE OF MUSEUM AND LIBRARY STUDIES
<b>TOTAL OFFSITE</b>		<b>544,000</b>	<b>448,242</b>	<b>(95,758)</b>	INSTITUTE OF MUSEUM AND LIBRARY STUDIES
<b>GENERAL</b>					
LEGION FREE TUESDAYS		200,000	200,000	0	FORD MOTOR COMPANY
LEGION FREE TUESDAYS MARKETING		100,000	100,000	0	FORD MOTOR COMPANY
DE YOUNG GROUNDWORKING		50,000	50,000	0	FORD MOTOR COMPANY
GENERAL OPERATING		42,188	14,063	(28,125)	UNION BANK
DADA SURREALISM ADVERTISING		35,000	0	(35,000)	INSTITUTE OF MUSEUM AND LIBRARY STUDIES
<b>TOTAL GENERAL</b>		<b>377,188</b>	<b>564,063</b>	<b>186,875</b>	GOLDSMITH FUND
<b>GRAND TOTAL</b>		<b>2,360,019</b>	<b>2,547,590</b>	<b>187,571</b>	









## 1. DYEING STORE

CLOSED

DOLLARS PER HEAD

DOLLARS PER HEAD BASED ON 7/01 - 2002 ACTUALS

LEGION VISITORS PROJECTION

LEGION SALES

DISCOUNTS @ 5%

COGS @ 52%

NET PROFIT ON SALES

MERCHANDISING SALES

BASE ON CURRENT ACTUALS

WHOLESALE

COGS @ 53%

COMMISSIONS @ 9%

NET PROFIT ON SALES

ROYALTIES

SELECTED EXHIBITION GROSS STORE SALES PER VISITOR

GREAT DUTCH PAINTINGS 2/91 - 5/91  
 ARMS AND ARMOR 2/92 - 5/92  
 TEOTIHUACAN 5/93 - 10/93  
 DEAD SEA SCROLLS 2/94 - 6/94  
 MONEY AT GIVERNY 3/95 - 6/95  
 FABERGE 5/96 - 7/96  
 BEAT CULTURE 10/96 - 12/96  
 LARCO - PERU 5/97 - 8/97  
 UTRECHT 9/97 - 11/97  
 HARLEM 1/98 - 3/98  
 PCLASSO 11/98 - 1/99  
 IMPRESSIONISTS IN WINTER 1 - 5/99  
 O'KEEFE 2 - 5/00  
 THEBAUD 6/00 - 9/00  
 LAUTREC AND MONTMARTRE 2 - 5/01

## 4. ETERNAL EGYPT STORE

DOLLARS PER HEAD

EGYPT VISITORS PROJECTION

MOORE SALES

DISCOUNTS @ 3%

COGS @ 55%

NET PROFIT ON SALES

5. LEONARDO / POLAND STORE

DOLLARS PER HEAD

LEONARDO VISITOR PROJECTION

POLAND SALES

DISCOUNTS @ 3%

COGS @ 55%

NET PROFIT ON SALES

133,232

317,363

(9,521)

(174,549)

2,737,213

(103,166)

(1,475,397)

COMMISSIONS &amp; ROYALTIES

DISCOUNTS @ 5%

COGS @ 53%

TOTAL NET PROFIT ON SALES

1,153,249

377,558

108,159

72,000

TOTAL EXPENSES

557,717

596,532

NET PROFIT FROM OPERATIONS



## ADMISSION FEES

	Legion	deYoung/ Asian
Adult	\$8	
Senior	6	
Student	5	
Annual Student Pass	10	
Children under 12	Free	

DEYOUNG VISITORS  
ATTRACTIONS

	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	TOTALS
LEGION VISITORS ATTRACTIONS	25,000 Sweets	50,000 Egypt 2/3 Sweets	87,000 Egypt	87,000 Egypt	35,000 Egypt 1/3	25,000 Homer	20,000 Homer	20,000 Homer	40,000 Leo/Poland Bouquets	38,000 Leo/Poland	30,000 Leo/Poland 1/2 Month	25,000	440,000
LEGION ADMISSIONS REVENUE	\$82,500	\$105,000	\$221,100	\$221,100	\$115,500	\$82,500	\$66,000	\$66,000	\$132,000	\$118,800	\$99,000	\$82,500	\$ 1,452,000
LESS LEGION ADMISSIONS EXPENSE	(15,530)	(18,288)	(15,595)	(15,590)	(15,590)	(15,590)	(15,590)	(15,590)	(15,590)	(15,590)	(15,590)	(15,590)	(15,590)
LEGION ADMISSIONS NET	66,970	148,732	205,507	205,510	99,910	66,910	50,410	50,410	116,410	103,210	83,410	66,910	1,284,200

## Recent Attendance

Legion	deYoung/Asian	Total
FY 93-94 Actual	806,588	806,588
FY 94-95 Actual	882,138	882,138
FY 95-96 Actual	406,482	491,208
FY 96-97 Actual	352,450	570,900
FY 97-98 Actual	217,153	923,350
FY 98-99 Actual	333,345	1,156,695
FY 99-00 Actual	514,633	748,181
FY 00-01 Actual	381,368	827,058
FY 01-02 Projected	305,730	871,728
		305,730

## Exhibition Assumptions

Eternal Egypt  
Winslow Homer: Casting a Spell  
Leonardo and the Splendor of Poland

Legion 6/10 - 11/11  
Legion 12/02 - 2/9/03  
Legion 3/6 - 5/18

350 visitors / hour = 202,475 attendance with 60% paid  
175 visitors / hour = 63,700 attendance with 55% paid  
225 visitors / hour = 90,875 attendance with 80% paid

## Estimated COFAM Revenue

1,284,200

## Per Visitor Revenue Assumptions

Legion revenue based on \$3.12 per visitor during the period 7/01 - 3/02 plus a slight raise to incorporate Egypt expectations bringing the rate to \$3.30



CAFE SALES PER PERSON BASED ON FY 01-02 AT JANUARY 31

DAYOUNG  
LEGION

CLOSED  
\$2.24

CAFE CATERING PER MONTH BASED ON FY 01-02 AT JANUARY 31

DAYOUNG  
LEGION

CLOSED  
\$74.275

CONCESSION FEE SCHEDULE  
FISCAL YEAR 2002/03

MONTH	CONCESSION FEES @ 6%	TOTAL REVENUE OVER \$55K	CONCESSION FEES @ 10%	TOTAL CONCESSION FEES
JULY	\$3,300	\$59,300	\$5,930	\$9,230
AUGUST	3,300	115,300	11,530	14,830
SEPTEMBER	3,300	153,360	15,336	18,636
OCTOBER	3,300	153,360	15,336	18,636
NOVEMBER	3,300	81,700	8,170	11,470
DECEMBER	3,300	59,300	5,930	9,230
JANUARY	3,300	48,100	4,810	8,110
FEBRUARY	3,300	59,300	5,930	9,230
MARCH	3,300	92,900	9,290	12,590
APRIL	3,300	83,940	8,394	11,694
MAY	3,300	70,500	7,050	10,350
JUNE	3,300	59,300	5,930	9,230
TOTALS	\$39,600	\$1,025,200	\$102,520	\$142,120

MONTH	DAYOUNG ATTENDANCE	DAYOUNG SALES	DAYOUNG CATERING	TOTAL DAYOUNG	CLOSED
JULY					
AUGUST					
SEPTEMBER					
OCTOBER					
NOVEMBER					
DECEMBER					
JANUARY					
FEBRUARY					
MARCH					
APRIL					
MAY					
JUNE					
TOTALS	0	\$0	\$0	\$0	\$0

LEGION	ATTENDANCE	SALES	CATERING	TOTAL LEGION
DAYOUNG	25,000	\$52,000	\$58,300	\$114,300
LEGION	25,000	153,360	153,360	331,720
LEGION	67,000	150,080	58,300	208,380
LEGION	67,000	150,080	58,300	208,380
LEGION	35,000	78,400	58,300	114,300
LEGION	25,000	58,300	58,300	114,300
LEGION	20,000	44,800	58,300	103,100
LEGION	20,000	44,800	58,300	103,100
LEGION	38,000	116,640	58,300	186,940
LEGION	38,000	89,640	58,300	138,940
LEGION	30,000	67,200	58,300	125,500
LEGION	25,000	58,300	58,300	114,300
TOTALS	440,000	\$985,600	\$989,600	\$1,985,200

MONTH	TOTAL SALES	TOTAL CATERING	TOTAL REVENUE
JULY	\$56,000	\$58,300	\$114,300
AUGUST	112,000	58,300	170,300
SEPTEMBER	150,080	58,300	208,380
OCTOBER	150,080	58,300	208,380
NOVEMBER	78,400	58,300	136,700
DECEMBER	58,000	58,300	116,300
JANUARY	58,300	58,300	103,100
FEBRUARY	44,800	58,300	103,100
MARCH	89,600	58,300	147,900
APRIL	60,640	58,300	138,940
MAY	67,200	58,300	125,500
JUNE	56,000	58,300	114,300
TOTALS	\$985,600	\$989,600	\$1,985,200





## Appendix G - Membership Revenue Based on 40,000 Count

Member Category	Info Services Report				Average % of Total	40,000 Members	Rates	Membership Income
	FY 00/01 % of Total	FY 01/02 @ 2/28/02 % of Total	@ 2/28/02 % of Total	Average % of Total				
Senior	31.6%	33.0%	32.1%	32.2%	12,893	\$40	\$515,733	Total
Participating	33.5%	31.2%	31.4%	32.0%	12,813	60	768,800	
Contributing	8.6%	8.9%	8.3%	8.6%	3,440	125	430,000	
Donor	2.3%	2.4%	2.2%	2.3%	920	250	230,000	
Sponsor	0.5%	0.5%	0.5%	0.5%	200	500	100,000	
Family	13.0%	13.4%	13.3%	13.2%	5,293	70	370,533	
Teacher/Out of Region	9.8%	10.0%	10.4%	10.1%	4,027	35	140,933	
Art Point	0.7%	0.6%	1.8%	1.0%	413	75	31,000	
Totals	100.0%	100.0%	100.0%	100.0%	40,000		\$2,587,000	\$64.68

Average \$ per paying member

\$64.68



DESCRIPTION	(1) FY 01/02 BUDGET	(2) FY 02/03 BUDGET	(3) VARIANCE (2) - (1)
1 LOCATION USE AND ART LOAN FEES	30,000	30,000	0
2 PHOTO SALES	30,000	35,000	5,000
3 AIRPORT FEES	12,000	12,000	0
4 DONATIONS (FREE FIRST WEDNESDAYS, ETC)	5,000	1,000	(4,000)
5 COAT CHECK	500	5,000	4,500
6 ADULT ED PROGRAMS	5,000	5,000	0
7 DOCENT FEES/TOURS	20,000	35,000	15,000
8 PUBLICATION ROYALTIES	500	500	0
9 MEMBERSHIP DONATIONS	60,000	50,000	(10,000)
10 AUDIO TOUR - LEGION	1,400	1,400	0
11 DEVELOPMENT EVENTS	12,000	15,000	3,000
12 OTHER	38,000	50,000	12,000
TOTALS	214,400	239,900	25,500



## Appendix "I" -- COFAM Other Expense Summary FY 2002-03

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	FY 2000-2001 Actuals	Original Budget FY 2001-02	Mixed Cure Budget FY 2001-02	Department Requested FY 2002-03	Proposed FY 2002-03	FY 2002-03 Spec Fnd or Fee Covg	Equipment Purchases Over \$1K	Notes
Division / Departments								
Curatorial / Conservation								
101 Office of the Chief Curator	59,826	50,500	45,450	47,000	45,000			
101-881 Ancient Art & Interpretation	1,000	1,000	900	900	900			
103 Library	36,603	34,100	30,690	34,100	30,000			
104 Registration	114,911	43,500	41,325	52,515	45,000		5,300	
104-743 Registration: Loans Out - Reimbursable	-	20,000	20,000	30,000	20,000	20,000		Borrowing Institutions' fees
104-811 Registration: Acquisitions Freight	51,101	10,000	10,000	10,000	10,000			
105 Permanent Collection Maintenance	5,712	5,000	4,750		-			\$7K - Personnel
105-781 Guarnerius Violin Display Case	1,325	-	-	-	-			
106 Photo Services	14,499	14,000	13,300	19,900	15,000		7,000	
106-778 Collection Digitization	25,761	1,000	950	1,000	950			
111 European Art	1,716	1,500	1,425	1,800	1,425			
112 American Art	431	1,000	1,000	1,000	1,000	1,000		Root Fund
112-736 American Art Study Center	936	1,300	1,300	1,300	1,300			
112-750 Archives of American Art	601	2,000	2,000	2,000	2,000	2,000		Barclay Fund
113 Textiles	8,496	500	450	5,000	400			
113-730 McCoy Jones Project	20,417	5,000	5,000	12,300	16,764	16,764		McCoy-Jones
115 Achenbach	11,640	10,000	9,500	15,635	9,500		1,300	
115-825 Rare Book and Portfolio Care	12,589	10,000	10,000	5,000	5,000	5,000		McNeill Volunteer Grant
115-795 Anderson Multi Media	8,000	-	-	-	-			
117 AOA	5,120	990	941	990	900			
121 Paintings Conservation	10,192	4,620	4,389	10,700	10,000	5,000		Australia Venues
121-768 Paintings Conserv. Contract Work	2,326	-	-	-	-			
122 Textiles Conservation	8,193	6,000	5,400	6,850	5,400			
122-739 Text Conserv. Contract Work	2,955	3,500	3,500	-	5,000	5,000		Lab fees
122-748 Text Conserv. Storage Pest Control	-	1,000	950	1,000	950			
122-738 Jones Collection Moth Murders	549	-	-	-	-			



## Appendix "I" -- COFAM Other Expense Summary FY 2002-03

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	FY 2000-2001 Actuals	Original Budget FY 2001-02	Mixed Curs Budget FY 2001-02	Department Requested FY 2002-03	Proposed FY 2002-03	FY 2002-03 Spec Fnd or Fee Covg	Equipment Purchases Over \$1K
Division / Departments							Notes
123 Paper Conservation	28,756	3,900	3,705	3,900	3,705		Lab fees
123-744 Paper Conservation -- Regional Lab	8,886	7,500	7,500	14,300	14,300		
124 Objects Conservation	2,309	5,150	4,893	4,950	4,950		
124-740 Objects Conserv: Contract Work	7,484	5,100	5,100	9,200	9,200		Lab fees
124-750 Objects Conserv: Airport Exhibition Projects	13,624	12,000	12,000	6,200	6,200		SFO Contract
124-767 McNeil/Rosenberg Projects	11,953	-	-	-	-		
Subtotal Curatorial and Conservation	474,821	280,160	246,416	297,540	284,644	84,464	13,600
Education							
131 Ed: School Program	69,521	33,150	31,493	25,000	25,000	25,000	Hearst Endowment Fund
131-732 Education Department Benefit	8,154	-	-	-	-		
131-734 Ed: Post-In-The-Galleries	9,122	24,000	24,000	23,000	23,000	23,000	California Arts Council, Harrison Endowment Fund
131-746 Ed: Trustees Education Committee	-	648	616	400	400		
131-757 Ed: Youth Arts Festival	18,733	25,000	23,750	7,000	7,000	7,000	Chevron Foundation
131-762 Ed: Teachers Resource Center	4,863	7,750	7,363	16,000	16,000	16,000	
131-801 Ed Artists' Studio	5,345	20,000	19,000	14,000	14,000		
131-827 Ed College Slides	472	-	-	-	-		Michael Volunteer Grant
131-831 Ed Ancient Egypt Programs	-	-	-	15,000	15,000	15,000	Ford Motor Company
133 Ed: Museum Ambassadors	8,484	7,800	7,410	7,800	7,800	7,800	Adams, Hearst, CAC, Lurie, GAP, Gelert
134 Ed School Workshops	5,027	1,860	1,596	1,820	1,600		
134-798 Ed: Doing & Viewing - deYoung Art Center	1,416	5,140	4,883	6,570	6,570	6,570	
134-799 Ed: Doing & Viewing - Legion	6,512	3,470	3,297	3,060	3,060		
135 - Adult Education Programs	54,647	71,850	68,068	63,700	63,700		
135-701 Ed: Legion Organ Concerts	22,762	20,000	20,000	33,600	33,600	33,600	Bradley Fund
141 Ed: Decent Council - General	22,578	16,350	17,471	15,200	15,200	3,000	Decent tour and lecture fees budgeted @ \$20K
142 Ed: Decent Council - Western	7,189	10,550	10,023	10,020	10,020		
143 Ed: Decent Council - AOA	3,504	6,060	5,776	5,770	5,770		
Subtotal Education	248,329	255,308	244,746	247,940	247,720	136,970	1,000





# Appendix "I" -- COFAM Other Expense Summary FY 2002-03

	(1) FY 2000-2001 Actuals	(2) Original Budget FY 2001-02	(3) Mixed Cuts Budget FY 2001-02	(4) Department Requested FY 2002-03	(5) Proposed FY 2002-03	(6) FY 2002-03 Spec Fnd or Fee Covg	(7) Equipment Purchases Over \$1K	(8) Notes
Division / Departments								
Curatorial / Conservation / Education	723,150	515,468	491,164	545,480	512,564	221,434	14,600	
Publications								
102-XXX Publications: Works-In-Progress	2,559	50,000	50,000	100,000	100,000	50,000		Jamieson Support of Homer Catalog
Exhibit Group								
231 Exhibit Planning	32,246	37,050	35,198	61,700	61,700			
232 Graphic Design	17,234	12,000	10,800	11,769	10,800		2,550	
233 Technicians	49,496	50,000	45,000	48,670	45,000		5,466	
233-794 Exhibition Lighting	7,236	10,000	9,000	14,580	14,580			
Subtotal Exhibition Group	106,202	109,050	99,998	134,719	132,080		8,016	
Exhibit Program								
24X-XXX Exhibit Program	1,002,881	898,461	898,461	2,228,246	2,278,246	423,603		Appendix "C" for details
Subtotal Curatorial Division	1,834,792	1,572,979	1,539,623	3,008,445	3,022,890	695,037	22,616	
DEVELOPMENT DIVISION								
Development General								
301 Office of the Dir/Dir Development	75,153	40,850	38,618	72,100	70,600			See Delopment subtotal note
302 Government/Foundation Grants	8,776	3,725	3,539	5,725	3,500			
303 Corporate Fundraising	3,238	5,450	5,178	5,450	5,000			
311 Individual Support Under \$5,000	15,173	10,750	10,213	8,100	8,100			
312 Mail Campaign	21,753	50,000	47,500	59,500	59,500			Revenue Increased by \$100K
313 Friends and Patrons (\$1,000 - \$4,999)	815	-	-	-	-			See 311 - Individual Support Under \$5,000
314 Phone Campaign	4,769	-	-	-	-			
321 Associates (\$5,000 up)	7,028	12,300	11,685	9,700	9,700			
322 Trips	125,291	250,000	250,000	250,000	250,000	250,000		Trip fees
323 Nat'l Council	108	7,670	7,287	7,670	7,670			
331-XXX FAM Development Events	324,288	217,150	206,293	324,524	324,524			Includes exhibition openings. New Director's Lunch
Subtotal Development	596,392	597,695	580,313	742,769	738,594	250,000		Includes Lunch Capital Campaign Expenses Dept 301: \$250,000 Dept 331: \$42,000
Benefit/Art Point								
305 Art Point	50,188	93,750	89,063	79,850	80,000	80,000		Revenue from events



# Appendix "I" -- COFAM Other Expense Summary FY 2002-03

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
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Division / Departments								
333 - FAM Benefits	88,769	190,000	190,000	165,000	165,000	165,000		Holiday Party, Tribal Arts, Revenue = \$245,250
Subtotal Benefits/Art Point	138,957	283,750	279,063	244,850	245,000	245,000		
MEMBERSHIP SERVICES								
341 Membership General	166,817	180,900	171,855	186,600	186,600			
342 Members Events	101,435	86,400	63,080	76,800	70,000			
343 Membership Promotion	244,058	256,500	243,675	293,804	280,000			
351 Data Base Services	27,197	42,260	40,147	34,260	34,260			
Subtotal Membership	539,507	546,060	518,757	591,464	570,860			
362-3 Member Magazine	191,685	127,000	127,000	236,250	175,000			
363-7 Members' Guide	211,530	190,000	190,000	190,000	190,000			
Subtotal Members' Publications	403,215	317,000	317,000	426,250	365,000			
Subtotal Development Division	1,688,071	1,744,505	1,695,133	2,005,333	1,919,454	495,000	0	
ADMINISTRATIVE DIVISION								
Administration General								
401 Office of the Director	63,991	51,700	49,115	42,400	42,400	1,359		Essey Family Fund
402 Audience Development	15,644	12,000	11,400	12,000	11,400			
402-829 Veteran's Day Celebration	3,672	13,000	13,000	13,000	13,000			
402-833 De Young Closing Week	102,598	-	-	-	-			
402-XXX De Young Groundbreaking	-	-	-	-	-			
422 Gould Theater	5,696	4,500	4,275	4,275	4,275	50,000		Union Bank
456-710 de Young First Wednesday Nights	16,131	-	-	-	-			
441 Accounting - General	186,844	174,300	174,300	177,200	177,000			
442 Admissions - de Young	3,255	-	-	-	-			
442 Admissions - Legion	9,977	9,000	8,550	15,865	15,865			
451 Administration - General	748,284	629,061	597,608	639,146	639,146		2,500	
451 - XXX New de Young Campaign Contributions					110,000			
454 Legion Administrator / Maintenance & Repair	17,472	35,000	31,500	31,500	31,500			



## Appendix "I" -- COFAM Other Expense Summary FY 2002-03

Division / Department	(1) FY 2000-2001 Actuals	(2) Original Budget FY 2001-02	(3) Mixed Cuts Budget FY 2001-02	(4) Department Requested FY 2002-03	(5) Proposed FY 2002-03	(6) FY 2002-03 Spec Fnd or Fee Covg	(7) Equipment Purchases Over \$1K	(8) Notes
454-806 Legion Tuesdays	153,053	151,000	151,000	193,856	193,800	193,800		Ford Motor Company
456-719 de Young Tuesdays	64,658	-	-	-	-	-		
456 Human Resources / de Young Administrator	3,866	2,000	1,900	1,900	1,900			
471 Board of Trustees	13,542	8,310	7,895	7,495	7,495			
Subtotal Administration	1,408,803	1,089,871	1,050,543	1,136,737	1,297,781	245,159	2,500	
Operations Group								
203 Security	51,262	44,450	40,005	40,064	40,000			
204 Engineering -- de Young	25,212	-	-	-	-			
204-818 Engineering -- Legion	62,849	43,110	40,865	46,925	46,925			
211 Courier Vehicle Op	1,003	1,350	1,350	2,000	2,000			
212 Health and Safety	2,028	2,200	2,090	1,550	1,550			
214 Pest Control	8,916	11,800	11,210	7,450	7,450			
215 Custodial - de Young	40,567	-	-	-	-			
215-819 Custodial - Legion	64,193	43,500	41,325	47,325	47,325			
218 Visitor Services - General	30	350	333	333	333			
217 Volunteer Council	18,128	7,800	7,410	7,692	7,692			
218 Flower Committee	14,714	8,000	7,600	7,600	7,600			
219 - ADA Disabled	3,537	3,550	3,373	3,550	3,400			
Subtotal Operations Group	292,440	188,110	155,651	162,489	164,275			
Offsite Facilities								
202 Warehouse	279,726	358,486	358,486	370,978	370,978			15% of Warehouse costs charged to de Young Project
206 - Interim de Young		307,000	307,000	325,769	320,000			100% of Offsite costs charged to de Young Project
207 - de Young Ed Center	216	86,320	86,320	92,596	92,595			
208-814 233 Post, Floors Mezzanine 2, 3, 5 & 8	166,754	-	175,205	183,450	183,450			4th Floor charged to de Young Project
Subtotal Offsite Facilities	446,696	751,816	927,021	972,792	967,023	0		





# Appendix "I" -- COFAM Other Expense Summary FY 2002-03

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	FY 2000-2001 Actuals	Original Budget FY 2001-02	Mixed Cuts Budget FY 2001-02	Department Requested FY 2002-03	Proposed FY 2002-03	FY 2002-03 Spec Fnd or Fee Covg	Equipment Purchases Over \$1K	Notes
Division / Departments								
Subtotal Administrative Division	2,147,939	2,007,767	2,133,215	2,272,018	2,429,079	245,159	2,500	
<b>MARKETING AND COMMUNICATIONS</b>								
501 Marketing General	128,434	10,000	9,000	9,000	9,000			
Government Relations				60,000	60,000			
Branding				100,000	40,000			
501-722 SF Foundation de Young Marketing	41,058	-	-	-	-			
501-952 Thinker.org	31,971	45,000	42,750	49,200	49,200			
511 Media Relations	45,948	46,550	44,223	44,200	44,200			
Subtotal Media Relations	247,411	101,550	95,973	282,400	202,400	0		
<b>ADVERTISING</b>								
512 Promotional Brochures	11,232	20,000	19,000	15,000	15,000			
514 Institutional Advertising	57,218	107,700	102,315	102,000	102,000			
515-XXX Exhibition Advertising	281,888	212,000	201,400	210,000	210,000			
Ford Tuesday Advertising				105,000	105,000	105,000		Ford Motor Company
Ford Egypt Advertising				107,000	107,000	107,000		Ford Motor Company
516 Advertising General	23,650	15,000	14,250	18,000	15,000			
Subtotal Advertising	373,988	354,700	336,965	557,000	554,000	212,000		
Subtotal Marketing and Communication	621,399	456,250	432,938	819,400	756,400	212,000		
<b>Stores</b>								
522-4 Museum Stores	110,332	48,200	48,200		72,000			
523 Product Development	657	-	-	-	-			
Subtotal Stores	110,989	48,200	48,200	0	72,000			
<b>Facilities Rentals</b>								
531 Corporate Rentals	151,710	124,030	111,627		93,000			
454-711 Cafe and Theater Rentals	39,814	40,000	40,000		40,000			
Subtotal Facilities Rentals	191,524	164,030	151,627	0	133,000			





# Appendix "I" -- COFAM Other Expense Summary FY 2002-03

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Division / Departments								
Subtotal Marketing Division	923,912	688,480	632,765	819,400	961,400	212,000	-	
Grand Totals	6,574,714	6,993,761	6,000,736	8,106,198	8,332,823	1,847,196	25,116	







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## CORPORATION OF THE FINE ARTS MUSEUMS

Board of Trustees

June 13, 2002

**I. Calling of the Meeting to Order and Invitation to Members of the Public to Attend and Participate in Discussions Relating to the New de Young Financing Plan and the Issuance of Tax-Exempt Bonds by the ABAG Finance Authority for NonProfit Corporations (Agenda Item IV., A.) - Diane B. Wilsey, President**

A meeting of the Board of Trustees of the Corporation of The Fine Arts Museums was held on Thursday, June 13, 2002, in the Board Room of the California Palace of the Legion of Honor, Lincoln Park, San Francisco. A quorum was present that being one-third of the number of Trustees in office. The meeting was called to order at 3:55 p.m. by Diane B. Wilsey, President, who invited members of the public to attend and participate in discussions relating to the New de Young Financing Plan and the issuance of tax-exempt bonds by the ABAG Finance Authority for NonProfit Corporations (Agenda Item IV. A.).

President Wilsey presided; Mrs. Gough acted as Secretary.

**II. Calling of the Roll**

The following Trustees were present:

Arlene Ackerman  
 Del M. Anderson  
 Cheryl H. Bancroft  
 Jamie Nicol Bowles  
 Barbara B. Carleton  
 Iris S. Chan  
 Barnaby Conrad III  
 Dagmar Dolby  
 Richard P. Essey  
 Morgan Flagg  
 Dr. Rupert Garcia  
 Jacqueline Hoefler  
 Beverly James  
 Diane B. Lloyd-Butler, Vice President/Marketing and Communications  
 Nancy McBean  
 J. Alec Merriam, Vice President  
 Lorna F. Meyer  
 Marianne H. Peterson  
 Michael H. Podell  
 Louise H. Renne  
 Randolph R. Scott  
 Burl A. Toler, Sr.

Nancy Willis  
Diane B. Wilsey, President  
David Winton

On motion, duly seconded and carried unanimously, the following Trustees were excused:

Alvin H. Baum, Jr.  
Alix Phillips Becker  
George McNear Bowles  
T. Robert Burke  
Marion Moore Cope  
Belva Davis, Vice President/Civic Affairs and Audience Development  
Richard H. Finn  
Harrison S. Fraker, Jr.  
John A. Friede  
Mara Fritz  
Richard N. Goldman  
Constance Goodyear  
Richard W. Goss II  
Nancy Hamon  
George Hecksher  
J. Burgess Jamieson  
Ann L. Johnson, M.D.  
Stephen L. Johnson  
William R. Kimball  
Nion McEvoy  
Josie Mooney  
Robert P. Morrow III  
Bernard Osher  
Joy Ou  
Steven MacGregor Read  
George R. Roberts  
Shelagh Rohlen, Vice President/Annual Support  
George B. Saxe  
Gail P. Seneca  
Carlos Villa  
Paul Violich, Vice President/Finance  
Lonna Wais

Other Trustees in attendance were:

Keith Eickman  
Leonard E. Kingsley  
Sylvia Kingsley  
Gail Merriam  
Katharine Doyle Spann  
William A. Stimson

The following Non-Voting Officers were present:

Harry S. Parker III, Chief Executive Officer  
Steve Dykes, Treasurer  
Judy Gough, Executive Secretary

### **III. Report of the President – Diane B. Wilsey**

#### **A. Consideration and Possible Action to Approve the Minutes of the April 11, 2002 Annual Meeting of the Board of Trustees**

There being no discussion among the Trustees, the minutes of the April 11, 2002 annual meeting of the Board of Trustees, having been mailed in advance to all Trustees, were unanimously approved.

#### **B. Consideration and Possible Action to Approve the Minutes of the May 9, 2002 Meeting of the Executive Committee of the Board of Trustees**

There being no discussion among the Trustees, the minutes of the May 9, 2002 meeting of the Executive Committee of the Board of Trustees, having been mailed in advance to all Trustees, were unanimously approved.

#### **C. Report on the Plans for a New de Young Museum in Golden Gate Park**

President Wilsey advised that the demolition of the de Young Museum buildings, with the exception of the wing still occupied by the Asian Art Museum, was completed at the end of May. Excavation is scheduled to start later this month and is expected to continue for approximately five months until construction begins in December 2002.

#### **D. Welcome to New Trustee Arlene Ackerman**

President Wilsey introduced Arlene Ackerman, who was attending her first meeting as a newly elected Trustee. The Board of Trustees welcomed Trustee Ackerman with a round of applause.

**D. Report on the Capital Campaign to Build a New de Young Museum in Golden Gate Park**

President Wilsey announced that to date the capital campaign totaled \$154,259,893 in gifts and pledges from 5,695 donors.

LaVerne Silverman, Chair of the San Francisco Auxiliary, presented the Board of Trustees with a check for \$500,000, which completes the Auxiliary's pledge of \$1 million in support of the New de Young. The check represents the proceeds from Bouquets to Arts, the successful annual fund-raising event organized by the San Francisco Auxiliary. The Board of Trustees accepted the \$500,000 check with sincere appreciation and a round of applause.

1. Grant Proposal to the Columbia Foundation to Support the New de Young Museum

Mr. Parker pointed out that the appended grant proposal prepared by Gerry Chow, Foundation and Corporate Grants Manager, for the Columbia Foundation was particularly noteworthy in stating the case for the New de Young Museum. Trustees were encouraged to use this summary as a reference document in the future. Mr. Chow advised that the Columbia Foundation is a local foundation with an interest in cultural organizations and the arts.

**E. Other Informational Items**

1. Report on the May 16, 2002 Annual Donor Luncheon Featuring Pierre de Meuron as Keynote Speaker

Architect Pierre de Meuron was the featured speaker at the Annual Donor Luncheon on May 16, 2002 at the Legion of Honor. Mr. de Meuron presented five Herzog & de Meuron Architekten AG projects, including the New de Young Museum in Golden Gate Park.

2. Report on 2002-03 Committees of the Board of Trustees

The appended list of 2002-03 Committees of the Board of Trustees was distributed. President Wilsey noted that the Development Committees were in formation and will be announced in the fall.



#### **IV. Director's Report - Harry S. Parker III**

##### **A. Report on the New de Young Financing Plan Including the Issuance of the Tax-Exempt Bonds by the ABAG Finance Authority for NonProfit Corporations**

1. Presentation on the Preliminary Official Statement (Bond Prospectus) \$143,000,000, ABAG Finance Authority for Nonprofit Corporations, Revenue Bonds (New de Young Museum Project, San Francisco, California) – Monique Moyer, Director, Mayor's Office of Public Finance, Nikolai J. Sklaroff, Vice President, Public Finance Department, SalomonSmithBarney, and Richard W. Chisholm, Managing Director, Principal Securities, Banc of America Securities

Mr. Parker presented the Preliminary Official Statement (Bond Prospectus) dated June 10, 2002, which represents the culmination of an extraordinary effort by the New de Young Financing Team led by Monique Moyer, Director of the Mayor's Office of Public Finance, and the Board of Trustees of The Fine Arts Museums Foundation to structure the most cost effective financing for the New de Young Museum. He introduced Monique Moyer recalling that immediately following the loss of the second City and County of San Francisco general obligation bond measure in November 1998, Mayor Willie L. Brown, Jr., offered the assistance of Ms. Moyer to formulate a non-profit finance plan for the New de Young Museum.

Ms. Moyer congratulated the Museums on the publication of an especially well-done bond prospectus complete with images of works of art from the de Young collections and the New de Young Museum on the back cover. The Preliminary Official Statement sets forth the terms and conditions under which an investor would invest in the financing of the New de Young. The tax-exempt bonds will be issued by the Association of Bay Area Governments (ABAG) Finance Authority for NonProfit Corporations to finance the construction of the New de Young Museum. Today, the de Young bonds received an excellent, underlying A- ranking with a stable outlook by the three rating agencies, Moody's, Standard & Poor's and Fitch.

Nikolai J. Sklaroff, Vice President of the Public Finance Department, SalomonSmithBarney, reported that the preliminary A-category ranking for the bonds allowed the Museums to obtain a favorable premium for bond insurance through MBIA. The procurement of the bond insurance, which guarantees payment of the principal and interest to the investors, and the strength of the New de Young capital campaign influenced the expected AAA rankings by the three rating agencies of the Series 2002A and Series 2002B Bonds.

The Series 2002 A Bonds, Auction Rate Securities underwritten by SalomonSmithBarney, are currently in the bond market in a retail pre-order period. They will be sold on Monday, June 17<sup>th</sup> with the closing scheduled for Thursday, June 20<sup>th</sup>. Mr. Skloaroff explained that the Series 2002 A Bonds are designed for individual or retail

investors in California at a minimum purchase of \$25,000. There has been strong investor interest in the bonds throughout the State. Anyone interested in purchasing the Series A Bonds should contract their personal brokers, or SalomonSmithBarney at 800-252-2019.

The Series 2002 B Bonds, the Variable Rate Demand Notes underwritten by Banc of America Securities, will enter the market on Wednesday, June 19<sup>th</sup>, following a two day pre-order period, and will also close on Thursday, June 20<sup>th</sup>. Richard W. Chisholm, Managing Director, Principal Securities, Banc of America Securities advised that the Series B Bonds are intended for purchase by institutional investors such as tax-exempt money market funds. The marketing strategy focuses initially on five or six institutional investors and familiarizing a larger number of institutional investors with the transaction in preparation for the remarketing effort in subsequent weeks. Anyone interested in the Series B. Bonds should contact Banc of America Securities at (415) 622-6586.

Ms. Moyer concluded the presentation noting that once the sale of the bonds closes on June 20<sup>th</sup>, \$143 million less closing fees will be issued to the Foundation and COFAM.

2. Consideration and Possible Action to Adopt a Resolution Honoring  
Monique Moyer, Director, Mayor's Office of Public Finance

Mr. Parker extended appreciation to Ms. Moyer, Mr. Sklaroff, and Mr. Chisholm for their efforts to secure the \$143,000,000 bond offering to finance the construction of the New de Young Museum. He then introduced the following resolution, to be effective upon the sale of the bonds, honoring Ms. Moyer for her leadership role as a member of the New de Young Financing Team.

WHEREAS, The highest institutional priority of the Fine Arts Museums of San Francisco, the Corporation of The Fine Arts Museums, and The Fine Arts Museums Foundation is to build a new facility to house the M. H. de Young Memorial Museum (New de Young Museum) in Golden Gate Park; and

WHEREAS, Efforts to secure public funding for a New de Young Museum were unsuccessful with proposed City and County of San Francisco general obligation bond measures failing to receive the 66.7% affirmative votes for passage in 1996 (62.6% yes votes) and 1998 (64.3% yes votes); and

WHEREAS, Immediately following the loss of the second City and County of San Francisco general obligation bond measure in November 1998, Mayor Willie L. Brown, Jr., offered the assistance of Monique Moyer, Director, Mayor's Office of Public Finance, to help structure the most cost efficient non-profit financing for the New de Young Museum; and

WHEREAS, She has been indefatigable in her efforts for three and one-half years to structure a not-for-profit bond financing plan for the New de Young Museum; and

WHEREAS, Ms. Moyer has been exceedingly generous in contributing her expertise and time to the New de Young Financing Plan; now, therefore, be it

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums does hereby express its profound gratitude to Monique Moyer for her leadership and outstanding dedication to secure the tax-exempt bond financing for the New de Young Museum; and be it

FURTHER RESOLVED, That the Board of Trustees congratulates the New de Young Financing Team for successfully bringing to fruition the \$143 million bond offering to finance the construction of the New de Young Museum in Golden Gate Park.

On motion, duly seconded, there was no discussion among Trustees. There was no public testimony. The Board of Trustees voted unanimously to adopt the above resolution, effective upon the sale of the bonds, as **Board Resolution 314**, and acknowledged Ms. Moyer with a heartfelt round of applause. Ms. Moyer thanked the Board of Trustees for its kind sentiments and for the gift of the New de Young Museum to the City of San Francisco. She ended her remarks noting that approximately 53 individuals worked on the New de Young bond transaction.

**B. Consideration and Possible Action to Adopt Investment Guidelines for the New de Young Bond Proceeds and Pledge Funds**

Mr. Parker discussed the immediate need to invest the New de Young bond proceeds and pledge funds. The proposed Permitted Investments for New de Young Museum Project Bond Proceeds and Pledge Funds was distributed, which sets forth certain investment guidelines required by MBIA, the insurer of the bonds. On motion, duly seconded, there was no discussion among Trustees. The Board of Trustees voted unanimously to adopt the Permitted Investments for the New de Young Museum Project Bond Proceeds and Pledge Funds as appended.

**C. Report on COFAM Operating Budget as of April 30, 2002**

At the request of Mr. Parker, Steve Dykes, Deputy Director for Administration and Finance, presented the COFAM Operating Budget Report as of April 30, 2002. At April 30, 2002, the budget was \$378 in the red, compared to the expectation of \$168k positive. The COFAM Reserve was \$2,420k, down \$290k from the month before.

It was noted that the Rolling Forecast II relies upon propping up the budget with more than \$400k in one-time funds, freezing personnel vacancies, and imposing selected 5% and 10% other expense cuts to try to counteract both poor exhibition program performance during the first half of the Fiscal Year and the September 11<sup>th</sup> economic downturn. Although the forecast's operating bottom line is \$70k in the red, the actual outcome is too close to call.

At \$6,348k support was up \$621k due to the use of a one-time \$300k unrestricted gift, \$100k more from Goldsmith Fund income for the *Dada* show, and \$190k from New de Young funds to offset contributions to statewide propositions that included funds for cultural and recreational facilities. In the Annual Contributions line, Associates donations (\$5k and up) were running ahead, but Friends (\$1k - \$2.5k) lagged budget, as did the Business Council and the Spring Mail Drive.

At \$4,481 revenues were off target by \$845k in the same areas since last fall. Store gross profit was off \$151k, facilities rentals off \$131k, general admissions off \$73k, member dues off \$306k, trip fees off \$166k – a budget aberration with expense offsets from the Italy trip cancelled after September 11<sup>th</sup>, adds for the Dutch trip, and ultimately breakeven trip results by year-end.

At \$6,108k personnel expenses ran \$102k below budget due to freezing vacant positions and savings from employees voluntarily reducing their workweeks. Exhibit Group personnel costs were down and largely offset by an increase in Exhibit Program Temporary Labor – the result of using the additional \$100k of Goldsmith Fund income to pay for regular operating personnel expenses attributable to the *Dada* show to help balance the budget.

At \$4,752k other expenses were \$361k over budget. Exhibit costs were \$118k of this overage due to *Thiebaud* exhibit art being returned to lenders by truck rather than planes after the September 11<sup>th</sup> terrorist attacks. Front-end costs for the road tour of *American Accents* were running \$46k higher than expected and were covered with Root endowment income for American art. The Administration General line was up \$244k year-to-date primarily due to the \$150k Proposition 40 contribution and a \$40k Traffic Relief Committee contribution. Both measures include funding for cultural and recreational facilities. The New de Young Fund was used to cover these costs.

Membership costs were down \$131k partially offsetting the drop in dues income. The overage for offsite facilities was included in the interim budget revision to correct a mistake in the original budget. The remaining other expense variations from budget are expected to even out before year's end and track rolling forecast budget savings goals.

Mr. Dykes noted the difficulty in predicting whether the Fiscal Year 2001-02 Operating Budget at June 30<sup>th</sup> will break-even or end in the red. Trustees, who have not yet contributed to the Annual Fund, were encouraged to do so in an effort to meet the \$3 million annual fund-raising goal and help offset this tough financial period due to the closure of the de Young Museum and the general economic slowdown.

**D. Consideration and Possible Action to Adopt a Resolution Authorizing the Opening of an Account at SalomonSmithBarney**

Mr. Parker introduced the following resolution authorizing the opening of an Account at SalomonSmithBarney to accommodate certain gifts of stock from donors.

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums does hereby authorize the Treasurer and Controller of the Corporation to open an account in the name of the Corporation at the firm of SalomonSmithBarney, for the sole purpose of receiving and selling gifted shares of stocks to this Corporation; and be it

FURTHER RESOLVED, That this account remains in full force until rescinded or modified by this Board.

On motion, duly seconded, there was no discussion among Trustees. The Board of Trustees voted unanimously to adopt the above resolution as **Board Resolution 315**.

**E. Consideration and Possible Action to Adopt a Resolution Covering the Transfer of Shares at SalomonSmithBarney**

The companion resolution covering the sale of gifted shares of stock at SalomonSmithBarney was presented by Mr. Parker:

RESOLVED, That any one of the following officers and employees of the Corporation of The Fine Arts Museums, to wit:

Harry S. Parker III, Chief Executive Officer  
Stephen E. Dykes, Treasurer  
Barbara Boucke, Deputy Director for Development  
Robert M. Cullison, Controller

are authorized to sell, assign, transfer or dispose of any stocks, bonds, or other securities now or hereafter owned or held by the Corporation at SalomonSmithBarney; and, be it

FURTHER RESOLVED, That any Transfer Agent, Registrar or issuer of securities to whom a copy of this resolution shall be delivered may rely upon this resolution until such time as written notice of any change, amendment or cancellation thereof shall have been received by such Transfer Agent, Registrar or issuer of securities.

On motion, duly seconded, there was no discussion among Trustees. The Board of Trustees voted unanimously to adopt the above resolution as **Board Resolution 316**.

**F. Consideration and Possible Action to Adopt a Resolution Authorizing the Transfer of Stock**

Mr. Parker introduced the following resolution:

RESOLVED, That the Board of Trustees of the Corporation of The Fine Arts Museums (COFAM) does hereby authorize that any two of the following individuals are fully authorized and empowered to sell, assign, transfer, and deliver any and all shares of stock, bonds, debentures, notes, evidences of indebtedness, or other securities now or hereafter standing in the name of or owned by this Corporation and to make, execute, and



deliver any and all written instruments necessary or proper to effectuate the authority hereby conferred, including execution of all written instructions necessary for our nominees, Wells Fargo Bank, Dresdner RCM Global Investors, and Merrill Lynch, to implement the transaction.

Authorized Individuals:

Harry S. Parker III, Chief Executive Officer  
Stephen E. Dykes, Treasurer  
Barbara Boucke, Deputy Director for Development.  
Robert M. Cullison, Controller

On motion, duly seconded, there was no discussion among Trustees. The Board of Trustees voted unanimously to adopt the above resolution as **Board Resolution 317**.

**G. Other Informational Item**

Information regarding an exhibition at the Oakland Museum of California, *Ruth Asawa: Completing the Circle*, was distributed. This retrospective survey celebrates more than 40 years of work by Trustee Emerita Ruth Asawa, a nationally recognized San Francisco artist. The exhibition runs from June 15 to September 22, 2002.

**V. Report of the New de Young Building Committee – Steven MacGregor Read, Chair**

In the absence of Chair Read, Mr. Parker reported that the New de Young Building Committee is scheduled to meet on August 8<sup>th</sup> to review mock-ups of the American Art gallery designs.

**VI. Report of the Joint Meeting of the Civic Affairs and Audience Development Committee and the Marketing and Communications Committee – Belva Davis, Chair and Vice President of Civic Affairs and Audience Development, and Diane B. Lloyd-Butler, Chair and Vice President of Marketing and Communications**

**A. Consideration and Possible Action to Adopt a Resolution Approving the Identity Language and Symbols for the Fine Arts Museums of San Francisco, the California Palace of the Legion of Honor, and the M. H. de Young Memorial Museum – Brian Boylan, Chairman, Wolf Olins**

Chair Lloyd-Butler reported that approximately one year ago, Wolf Olins was retained to articulate the brand for the Fine Arts Museums, the Legion of Honor, and the New de Young Museum. The branding effort will clarify the public's notion of the identity, personality and character of the Museums, particularly the New de Young, through the use of a variety of symbols, trademarks, and logos. The Civic Affairs and Audience Development Committee and the Marketing and Communications Committee have worked closely with the branding consultants. Interviews with Trustees serving on these two committees, community leaders and staff were conducted during the research phase

of the project. At the October 18, 2001 meeting of the Board of Trustees, Wolf Olins reviewed the research phase and presented their preliminary findings.

At a joint meeting of the two Committees on May 8, 2002, Wolf Olins presented their branding recommendations. Following a second presentation of the branding program proposal on May 9, 2002, the Executive Committee voted to recommend the proposal to the Board of Trustees for approval. Chair Lloyd-Butler introduced Brian Boylan, Chairman of Wolf Olins.

Mr. Boylan began by stating that the branding process was initiated about one year ago. At that time, the de Young Museum had closed to the public and the Legion was expanding programmatically to fill the gap. There was some confusion externally regarding the relationship of the two museums to each other and to the Fine Arts Museums of San Francisco, which was also perceived by the outsider as being a low-profile cultural institution. New de Young planning was ongoing.

The task for Wolf Olins, working with the Museums, was to build the brands for both the New de Young and the Legion of Honor. The New de Young with its first-rate architecture needs a brand, which will establish its own special character and personality and prevent it from being regarded as another Herzog & de Meuron museum. The Legion of Honor has something special and different to offer, and it should have its own identity apart from the New de Young and as part of the Fine Arts Museums.

In order to develop the brands, discussions with over 100 individuals in either focus groups or in one-on-one interviews were conducted regarding their perceptions and sense of the Museums. The individuals interviewed ranged from those close to the organization to tourists and the community-at-large. Branding program recommendations resulted, which strive to express the essence of the Museums.

The following highlights the Mr. Boylan's power point presentation:

- The Fine Arts Museums exist in a rapidly and significantly changing museum world, which has become highly competitive in acquiring the art itself, loans of art, sponsorship, donations and market share. Museums are urban anchors and part of the social fabric of cities. Museums and cultural organizations are defining the nature of cities in the United States and abroad.
- The Fine Arts Museums is growing rapidly and at a critical stage in its evolution. The Museums represent San Francisco's world art and the diversity and open mindedness of the City itself. The collections and the organization are extraordinarily diverse. It became clear that the theme of diversity would be critical to the branding project.
- A concept of connection evolved with a goal of connecting everyone who lives in or visits San Francisco with the Museums' world art, geography, time period, buildings, and parks. There are three major connections to be made: 1) connecting

San Francisco, the Museums' art and people; 2) connecting across the diversity of art within the collection; and 3) connecting the New de Young and Legion of Honor to each other through a 21<sup>st</sup> century point-of-view, and with Golden Gate Park and Lincoln Park, respectively.

- The de Young experience is open and fluid, a public conversation with art in an urban park setting. The main court of the New de Young, where orientation to the entire museum including all of the galleries is possible, is open to the public at no charge. The art endeavors to make connections with the outside world. The architecture reflects this relationship bringing nature into the de Young and the art into the Park. A leaf motif is proposed for the New de Young. A variety of leaves in different sizes are recommended to symbolize the de Young art experience and the diversity of the collection. The leaves create a message of fluidity, openness, and are part of the public domain.
- The Legion represents a more individual-oriented, intimate experience for everyone who interacts with the building, the tranquility of Lincoln Park, and the art. It is a Museum of classic beauty; its art and architecture have a formal quality. The use of a classical icon, a kaleidoscope flower symbol, is proposed. The flower is a universal symbol of beauty, drawing one into it, and is intended to symbolically draw one into the art.
- Connecting the leaves and flower symbols signify the Fine Arts Museums of San Francisco.

Mr. Boylan concluded his presentation to a round of applause from the Board of Trustees. Mr. Parker advised that the fence surrounding the New de Young construction site could be decorated with the New de Young branding symbol and graphics. The brands for the Legion and de Young would begin to be used in printed materials pertaining to the membership program, the New de Young project, and ongoing activities at the Legion of Honor.

The following resolution was introduced:

WHEREAS, The firm of Wolf Olins was retained to articulate the brand for the Fine Arts Museums, Legion of Honor, and the New de Young Museum; and

WHEREAS, The purpose of the branding project was to clarify the public's notion of the identity, personality and character of the Museums, particularly the New de Young Museum, through the use of a variety of symbols, trademarks, and logos; and

WHEREAS, The Civic Affairs and Audience Development Committee and the Marketing and Communications Committee have worked closely with the branding consultants; and



WHEREAS, Interviews with Trustees serving on these two committees, community representatives, and staff were conducted during the research phase of the project; and

WHEREAS, At the October 18, 2001 meeting of the Board of Trustees, Wolf Olins reviewed the research phase and presented their preliminary findings; and

WHEREAS, Wolf Olins presented the Branding Program Proposal at a joint meeting of the two Committees on May 8, 2002, and to the Executive Committee on May 9, 2002; and

WHEREAS, The Executive Committee of the Board of Trustees voted unanimously to recommend the Branding Program Proposal to the Board of Trustees of the Corporation of The Fine Arts Museums for approval at its meeting on June 13, 2002; now, therefore, be it

RESOLVED, That the Board of Trustees, upon the recommendation of the Executive, Civic Affairs and Audience Development, and Marketing and Communications Committees, does hereby approve the Wolf Olins Branding Program Proposal.

On motion, duly seconded, there was no further discussion among Trustees. The Board of Trustees voted unanimously to adopt the above resolution as **Board Resolution 318**.

## **VII. Report of the Budget Committee – Paul Violich, Chair and Vice President of Finance**

### **A. Consideration and Possible Action to Approve the Fiscal Year 2002-03 Operating Budget**

At Mr. Parker's request and in the absence of Chair Violich, Mr. Dykes presented the proposed Fiscal Year 2002-03 Operating Budget, which was reviewed in detail by the Budget Committee at meetings on May 9<sup>th</sup> and June 5<sup>th</sup>. A summary of the presentation follows:

- At \$16.9 million, the proposed budget has an \$862k forecast deficit to be covered by New de Young Fund past earnings.
- Operating deficits are anticipated for the next three FYs until the New de Young Museum opens in Summer 2005. Deficit forecasts have been discussed by the COFAM Budget Committee and the Board of Trustees for several years and are part of the New De Young Museum planning process.
- Earned revenue forecasts next FY are heavily dependent upon the success of the *Eternal Egypt* exhibition from the British Museum (8/10 – 11/11/02). During this

period, Legion of Honor visitor capacity is taken to the maximum at 67,000 visitors per month, with 60% paid attendance and a \$14 adult fee (\$8 general admission plus a \$6 surcharge) \$12 for seniors, \$11 for youths, and \$6 for children. Mr. Parker pointed out that school groups and children under five years of age are free, and that visitors pay only the supplemental exhibition admission fee on Ford Free Tuesdays.

- Personnel costs are up nearly \$900k to \$8.5 million despite nine positions lost by attrition. There are two main cost drivers. One is a \$340k increase in pension fund contributions – the recommendation of the new actuary to lower the investment return assumption, update mortality expectations, and meet certain I.R.S. funding triggers. The second personnel cost driver is almost \$700k in temporary salaries, a combination of staffing for the *Eternal Egypt* show and grant-paid projects.
- Other expenses are up \$2.3 million to \$8.3 million. Over half the increase is the *Eternal Egypt* show. Additional major other expense increases include the publication of the *Homer* exhibition catalogue; the *Leonardo* exhibition; New de Young fundraising, Federal government relations, and branding implementation previously charged to the New de Young Fund; incorporation of an annual report and fundraising in the Member Magazine; New de Young groundbreaking; contribution to a state proposition campaign for New de Young support; Ford Tuesdays support; a correction adding 233 Post Street rent, which was inadvertently deleted from the FY01-02 original budget; and an increase to compensate for the loss of City partial reimbursement for Education/Administrative/Operating expenses.

Mr. Dykes concluded his presentation by thanking Controller Rob Cullison for his hard and able work and advised that the Budget Committee recommends the approval of the Fiscal Year 2002-03 Operating Budget to the Board of Trustees. President Wilsey expressed appreciation to Mr. Dykes on behalf of the Board of Trustees for his tireless efforts in not only preparing the operating budget but as a key member of the New de Young Financing Team.

On motion, duly seconded, there was no discussion among Trustees. The Board of Trustees voted unanimously to approve the Fiscal Year 2002-03 Operating Budget.

#### **VIII. Report of the Audit Committee –William A. Stimson, Chair**

- A. Consideration and Possible Action to Adopt a Resolution Appointing Auditors

Chair Stimson introduced the following resolution recommended by the Audit Committee for adoption by the Board of Trustees.

RESOLVED, That PricewaterhouseCoopers is appointed to audit the combined balance sheet of the Fine Arts Museums of San Francisco (FAM) as of June 30, 2002 and the related combined statements of revenues, expenses and changes in fund balances for the year then ended; and that the combined financial statements will include COFAM,

The Fine Arts Museums Foundation (FAMF), and FAM as recorded on the books of the City and County of San Francisco; and be it

FURTHER RESOLVED, That PricewaterhouseCoopers is also appointed to undertake a COFAM Retirement Plan Audit and a Registration Department Agreed-Upon Procedures Review; and be it

FURTHER RESOLVED, That COFAM's share of the audit cost of the combined financial statement for COFAM, FAM and FAMF plus the COFAM Retirement Plan Audit and the Registration Procedures Review will be about \$85,500 including out-of-pocket costs.

On motion, duly seconded, there was no discussion among Trustees. The Board of Trustees voted unanimously to adopt the above resolution as **Board Resolution 319.**

**IX. Report of the Annual Support Committee – Shelagh Rohlen, Chair and Vice President**

In the absence of Chair Rohlen, Barbara Boucke, Deputy Director for Development, noted that seventeen days remain in the current fiscal year. She encouraged Trustees to consider a gift to the Annual Fund, which is \$40,000 short of reaching its \$3 million goal. Emily Cheung, Manager of Individual Gifts, distributed a list of upcoming *Eternal Egypt* events.

**X. Report of the Fine Arts Museums Foundation – Richard W. Goss II, President**

In the absence of President Goss, Mr. Parker reported that at the close of business on June 7, 2002, the endowment portfolio was valued at \$65,688,738. The endowment portfolio was invested 67.91% in equities, 25.84% in fixed income, and 6.25% in alternative investments.

**XI. Announcements**

**A. Education Council Event – September 9, 2002**

Trustee Nancy Willis, Chair of the Education Committee, announced that an Education Council event is being planned for September 9, 2002 in conjunction with the *Eternal Egypt* exhibition. The program includes unearthing treasures in an Egyptian tomb, creating amulets and magic charms, learning to write hieroglyphics, and dressing up for picture-taking as ancient Egyptians or mummies. A family Education Council membership is \$250 and covers participation at three events. The fee per family to attend the September 9<sup>th</sup> event is \$125.

**B. Guarnerius Concert**

Trustee Emerita Gail Merriam, Chair of the Music Advisory Task Force, reported that Concertmaster Alexander Barantschik of the San Francisco Symphony will play the Guarnerius violin in concert at the Florence Gould Theater on Sunday, June 16<sup>th</sup> at 8 p.m.

**XII. Adjournment – Diane B. Wilsey, President**

There being no further business, President Wilsey adjourned the meeting at 5:30 p.m.

Respectfully submitted,

Judy Gough  
Executive Secretary

Note: These minutes set forth all actions taken up by the Board of Trustees on matters stated, but not necessarily in the order in which the matters were considered.

cofambrtm026

**COLUMBIA FOUNDATION  
APPLICATION FORM  
Effective June 1, 2001**

*Please use the following sections in the order listed below to produce your application form which, when completed, should not exceed two pages.*

**Date of application:** 5/31/02

**Applicant:** Fine Arts Museums of San Francisco (Corporation of the Fine Arts Museums)

**Fiscal sponsor (If applicable):** n/a

**Executive director (name, postal address, phone number and direct extension, fax number, e-mail, website):**

Harry S. Parker III	Phone: (415) 750-3661
Director of Museums	Fax: (415) 750-7686
233 Post Street	Email: hparker@famsf.org
San Francisco, CA 94108	Website: www.thinker.org

**Project contact (name, postal address, phone number and direct extension, fax number, e-mail address):**

Deborah Frieden	Phone: (415) 750-3612
New de Young Project Manager	Fax: (415) 750-3550
233 Post Street	Email: dfrieden@famsf.org
San Francisco, CA 94108	

**Project description (up to ½ page):**

The building of the New de Young Museum is one of San Francisco's most important civic and cultural projects. The project became necessary after the severe damage sustained by the old museum building during the 1989 Loma Prieta earthquake. The successful completion of the New de Young project is imperative to the restoration of one of San Francisco's cultural cornerstones. The necessity to build the museum from the ground up has also presented the tremendous opportunity to create an innovative building that could serve as a model for new art museums for decades to come.

The new museum, designed by Pritzker Prize-winning architects Jacques Herzog and Pierre de Meuron, will utilize a base isolation system for seismic mitigation, and will also provide much-needed upgrades to environmental systems. The new building will double the museum's size to 293,000 square feet, providing vastly expanded space for the rapidly growing collections, new education programs, and behind-the-scenes facilities such as conservation laboratories. The design integrates the museum with its park setting, with areas of the park merging with interior garden courtyards to maximize user experience. The new building also vastly improves access (including admission-free education program facilities) and provides even distribution of gallery space amongst the museum's culturally diverse collections.

**Project budget/projected time period:** Budget: \$202,300,000

Project Start Date: January 1999 (Architects hired). Start of Excavation/Groundbreaking: June 2002. Start of Construction: December 2002. Project Completion: July 2005.

**Organization description (up to ½ page, including year founded):**

Formed in the 1972 merger of the M.H. de Young Memorial Museum and the California Palace of the Legion of Honor, the Fine Arts Museums of San Francisco are among the major arts institutions in the western US. The Museums provide their community and region with the highest quality exhibitions, programs, education and outreach, and care for, interpret, and foster the continuing development of San Francisco's collections.

San Francisco's first public museum, the de Young Museum was founded in 1895 at the close of the California Midwinter International Exposition. Throughout its history, the museum has been one of the premier centers for visual arts in the western United States, attracting prominent national collections and serving as the primary west coast venue for major international traveling shows. The de Young collections are among the most diverse and extensive in western US, including 18<sup>th</sup>- and 19<sup>th</sup>-century American Art, 20<sup>th</sup>-century American Art, the Ancient and Native Arts of the Americas, African Art, the Arts of Oceania, and international textiles.

**Organization budget and fiscal year:**

FY01-02: \$44,595,888

**Previous Columbia Foundation grants for the project (if applicable, list by year and purpose):**

na

**Other financial support for the project (total amount secured and total amount pending for the grant period, including time period covered):**

Gifts of \$1 million or more (41 Donors)	\$126,592,381
Gifts \$100,000 - \$999,999 (84 Donors)	\$ 17,001,186
Gifts \$10,000 - \$99,999 (285 Donors)	\$ 6,928,116
Gifts \$1,000 - \$9,999 (2,764 Donors)	\$ 3,782,604
<b>Total Amount Secured to Date (5/31/02)</b>	<b>\$154,532,742 (5,687 Donors)</b>

**Project/organization accomplishments (up to ¾ page summary of accomplishments for the past year):**

The de Young Museum closed to the public on December 31, 2000 to begin deinstallation and preparation for demolition, at which time Museum programs were consolidated at the Legion of Honor. In February 2001, the de Young Art Center opened at 26<sup>th</sup> and Irving to ensure the continuation of the de Young's valuable education programs and resources during the construction period. In Spring 2001, an offsite collection management facility was installed in South San Francisco to house the collections, conservation labs, and offices for registration, curatorial, and administrative staff. Hazardous material removal in the old de Young building took place during the second half of 2001. In January 2002, the new museum's Environmental Impact Report was certified by the SF Board of Supervisors. Demolition of the old de Young building took place from March – May 2002, in preparation for excavation and new construction.

<b>Tax status (check one):</b> <input checked="" type="checkbox"/> 501(c)(3) (attach a copy of the IRS determination letter) <input type="checkbox"/> Government agency <input type="checkbox"/> Other (explain): Date of Incorporation: (COFAM): 1987 Date of last audit: 10/30/2001	<b>Program category (check only one):</b> <input checked="" type="checkbox"/> Arts and Culture <input type="checkbox"/> Human rights <input type="checkbox"/> Sustainable Communities and Economies
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## The New de Young Museum in Golden Gate Park

### Executive Summary

The building of the New de Young Museum is vital to the continuation of one of the City's most prominent cultural institutions, and represents the tremendous opportunity to create a new model for the American art museum of the 21<sup>st</sup> century.

The rebuilding of the de Young became imperative when the old structure was severely damaged during the 1989 Loma Prieta earthquake. The building was subsequently assigned the City's highest hazard rating. Studies of the damage concluded that renovation would be difficult and not cost-effective. After the narrow defeat of two bond measures to secure public funds for the project, the Trustees moved forward with plans to rebuild the entire museum through a private fundraising effort, rather than risking further delays.

Architects Jacques Herzog and Pierre de Meuron were selected to design the new museum, with the local firm of Fong & Chan serving as Architect of Record. The plan of construction calls for demolition of the old facility and construction of a new 293,000 square foot building. The New de Young will consist of three floors, one below ground and two above, along with a 144-foot Education Tower. The three-level design allows the museum to double in size while actually reducing the museum's footprint in the park.

The goals of the project are: •to assure safety for the public, the staff, and the artwork; •to improve access to the museum for all visitors; •to accommodate the growing collections through expanded galleries and environmental, storage, and conservation upgrades; •to enhance the museum experience for all visitors; •to broaden capacity for art education programs for people of all ages and interests; •to restore the de Young's popular temporary exhibition program; and •to maintain economic viability and support the City of San Francisco.

Construction of the new de Young will feature a base isolation system for seismic mitigation, as well as environmental and fire protection system upgrades to protect the City's art collections. To facilitate access and create new public spaces, a significant portion of the museum will be accessible to the public for free. This includes museum spaces dedicated to education programs, including the Children's Gallery and the entire Education Tower, which includes classrooms, a public reading room, the Resource Center for Education, and the Artist Studio. Gallery space is vastly expanded to accommodate collection growth, and is more evenly distributed among the many diverse collections the museum houses. The design of the new museum also integrates the building with its park setting, including the creation of garden courtyards and views into these courtyards and the park itself. The de Young's popular temporary exhibition program will be restored in a 12,000 square-foot portion of the building, one of the many elements that will strengthen our institution's economic viability for decades to come.

The project continues to move forward on schedule. The Environmental Impact Report was certified in January 2002, and demolition of the old structure has taken place from March through May. Excavation will begin in June, and new construction will commence December. Substantial completion of the building is scheduled for October 2004, and the new museum will open to the public in July 2005.

Fundraising continues strong. To date, FAMSF has raised \$154.5 million, from over 5,600 donors, towards a \$165 million fundraising goal. The Museums are also in the process of securing tax-exempt Municipal Revenue Bonds through ABAG to manage cashflow and offset the gap between the fundraising goal and the \$202.3 million cost of the project and its related expenses.

The New de Young project completes a master building plan that has already seen the successful renovation of the Legion of Honor and secures the safety of museum visitors and the collections. The building of the New de Young is essential to the museum's future, but this necessity has also presented the tremendous opportunity to expand gallery and education spaces and to re-envision the museum, its programming, and its capacity to serve all audiences for future generations.



## 1. Need for the Project

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The building of the New de Young Museum is one of the most important projects in our institution's history. Successful completion of the project is imperative to the continuation of one of the west coast's premier arts institutions, a cornerstone of the cultural and civic vitality San Francisco since its founding in 1895.

The old de Young Museum was severely damaged in the 1989 Loma Prieta earthquake. The building was subsequently assigned the City's highest hazard rating (one rank short of requiring immediate demolition). While exterior steel bracing was installed in 1992 as a temporary measure to stabilize the building, plans to replace the structure with a new building became a top institutional priority.

Beyond seismic concerns, other areas deemed necessary to correct include insufficient fire suppression and detection systems; hazardous materials; climate control upgrades to preserve the City's valuable art collections; and inadequate plumbing, electrical, and security systems; and accessibility for disabled visitors.

The obligation to rebuild the de Young has also provided a tremendous opportunity to build a brand new museum building from the ground up. The old de Young building was comprised of eight incongruous structures assembled over time as new structures were added and old ones were significantly modified or torn down. The rebuilding has allowed for a new design that will: optimize visitor experience; expand galleries for the growing collections; expand dedicated spaces for Education programs; increase access; and attract all audiences to an enriching experience of art produced by cultures throughout the world.

## 2. Plan of Action

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Studies of the damage concluded that renovation of the existing structure would not be cost-effective, calling for total reconstruction. Two ballot measures to secure public funds for the rebuilding, in 1996 and 1998, gained majority support from voters but fell short (by 4% in 1996

and 2% in 1998) of garnering the necessary 2/3 majority vote required. Rather than risking further delays, the Trustees thus moved forward in 1998 with plans to rebuild the museum through a private fundraising effort.

A Request for Qualifications and Proposal was sent out in October 1998, and proposals for the new museum project were submitted by a number of top international architects. In January of 1999, the Trustees selected Jacques Herzog and Pierre de Meuron to design the new building. The architects have worked closely with staff, Trustees, and the public to ensure the new building meets the needs of the institution and those it serves. Herzog and de Meuron are among the most respected figures working in architecture today, winners of numerous international awards (including the esteemed Pritzker Prize in 2001) and designers of such projects as the Tate Gallery of Modern Art in London. The de Young promises to be their most important building design in America. The local firm of Fong & Chan has been hired to serve as Architect of Record. Landscape architect Walter Hood, chair of the Department of Landscape Architecture at U.C. Berkeley, has been recruited to design the new de Young's garden landscaping, integral to the project's concept of integrating the building with its park setting.

The plan of construction for the New de Young Project includes demolition of the existing de Young Museum facility (which has been largely completed at the time of this writing) and construction of a new 293,000 square foot facility. The Asian Art Museum formerly used a portion of the old facility and is in the process of moving to its new Civic Center location.

The New de Young will consist of three floors, one below grade and two above, along with a 144-foot Education Tower. The program for the new museum includes gallery space, a main lobby, education spaces, inner courtyards, café, museum store, an education tower, curatorial and museum administration offices, a loading dock, art storage and conservation labs, and other museum-related spaces. The new museum will be built on the same Golden Gate Park site as the old building, maintaining the museum's historic location. The three-level design allows the museum to double in size while actually reducing the museum's footprint in the park.

The project's Environmental Impact Report was approved in December 2001 and certified by the San Francisco Board of Supervisors in January 2002. Demolition of the old structure took place from March through May. Excavation will begin in June, and new construction will commence in December 2002. Substantial completion of the building is anticipated by October 2004, after which reinstallation of the collections will take place. The new museum will open to the public in July 2005.

### 3. Goals of the Project

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The goals for the New de Young project, as originally outlined in 1998, has been to construct a new facility that will allow FAMSF to:

- assure safety
- improve access to the museum for all visitors
- accommodate the growing art collections
- enhance the museum experience for all visitors
- broaden art education programs for people of all ages and interest
- restore the temporary exhibition program
- maintain economic viability and support the city of SF

The overarching goal of the project is to ensure the continuation of the de Young Museum, and to position it for future growth and an even greater role in the cultural, civic, and educational life of San Francisco and the Bay Area for decades to come.

### 4. Methods/Strategies to Achieve Goals

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#### *Assuring Safety:*

Construction of the new de Young will utilize a base isolation system, the most state-of-the-art and effective means of mitigating seismic activity, to help ensure the safety of the public, the staff and volunteers, and the art. The new building will also: create an environment free from hazardous materials (such as asbestos and lead); provide code-compliant, museum-quality Heating/Ventilation/and Air Conditioning systems; provide code-compliant, museum-quality life

safety and fire detection/suppression systems; improve staff work areas to meet museum and occupational health and safety standards; provide a state-of-the-art security system; and improve art delivery, movement, and handling systems (including a loading dock and newly-configured art registration, storage, and art handling areas to allow for maximum efficiency and safety in art handling workflow).

***Improving access to the museum for all visitors:***

A significant portion of the museum will be accessible to the public free of admission. This includes the grand central court at the heart of the museum and spaces dedicated to educational programming and resources (including the Children's Gallery and the entire Education tower). Visitors entering the museum will be able to purchase tickets and enter the galleries at a few secured points, but will not need to pay for admission to participate in educational activities or to utilize such facilities as the Resource Center for Education and the Public Reading Room. This will ensure that all audiences are served and that admission is not a barrier to participation in education programs.

The new museum will also provide full access for visitors with disabilities, to be overseen by the staff Access Coordinator and the Advisory Committee for Access. Direct access to the lower-level from the planned underground parking structure will help ensure visitor safety during evening events.

***Accommodating the growing art collection:***

Collection gallery space in the New de Young is vastly expanded from 27,886 sq. ft. to 58,760 sq. ft. Gallery space will be more evenly distributed amongst all collections (including the arts of Africa, Oceania, the Americas, and textiles) to provide a more culturally balanced display of the museum's diverse collections. Each collection area will be housed in galleries designed to suit the particular needs of the objects (i.e. traditional galleries for historic American art, higher ceilings to accommodate large-scale contemporary art, and more free-flowing spaces with built-in cases for AOA objects), and each will be directly accessible from the main central court (eliminating all hierarchy in the collection gallery layout).

“Interstitial” display areas between collection wings will allow for rotating installations addressing cross-cultural themes and common motifs shared by the arts of different cultures and different regions of the world. Possible topics include “mother and child” themes, and an inclusive history of the “Art of the Americas” encompassing cross-cultural influences between Native and Euro-American cultures.

Behind-the-scenes facilities for collection care are also expanded and upgraded, including expanded art storage facilities with upgraded storage units, and expanded conservation laboratories for Paintings, Objects, and Textiles.

***Enhancing the museum experience for all visitors:***

The new de Young’s “open” design and admission-free areas are representative of a conscious effort to orient the museum as a truly public place, reaching out to the broadest audience and at the same time maximizing visitor experience. Selective use of glass within the museum will allow visitors to experience the greenery of the park and interior garden courtyards while inside the museum. More than any other art museum in San Francisco, the de Young’s collections reflect a collective experience of the arts of many different cultures and times, and the design of the new building has been created to reflect an institutional aspiration to serve as a cultural “common ground” for all San Franciscans.

***Broadening art education programs for people of all ages and interest:***

Over the decades, the de Young Museum has served as one of the Bay Area’s primary centers for art education. The New de Young will allow for significant future growth in education programs and resources with expanded spaces dedicated to education programs (which currently stand at over 50 ongoing programs).

These spaces include the 2,000 sq. ft. Children’s Gallery, a multipurpose space for art activities as well didactic displays, resource materials, and computer access to the collection database. The education tower will feature three classrooms, a public reading room, the Resource Center for Education, and the Artist Studio/public interactive space. Other educational spaces include the new Textiles Study Center and a 4,000 square foot auditorium. Overall, space for education is

expanded from 7,869 sq. ft. in the old de Young to 19,850 sq. ft. in the new building. Admission-free access to these education spaces will ensure accessibility for all audiences and allow the museum to better serve the Bay Area's art education needs.

***Restoring the temporary exhibition program:***

Throughout the 20<sup>th</sup> century, the de Young served as the west coast's premier venue for international traveling exhibitions. This ended in 1997 when federal indemnification for traveling shows was suspended due to the condition of the building. The new de Young will restore this vital part of the program schedule, which has historically been the museum's most popular offering and a key revenue-generating vehicle.

The temporary exhibition galleries of the new de Young are 12,000 square feet and will be located in the museum's underground level. The underground level will have its own lobby, accessible from the main court on the ground level and from the underground parking structure. The project will allow the de Young to once again attract the most important international traveling exhibitions to Golden Gate Park every year.

***Maintaining economic viability and support the city of SF:***

The new de Young will restore revenue streams from attendance lost when the museum closed to the public. Furthermore, significant attendance increases over pre-1997 figures are anticipated (the Legion of Honor, for example, continues to draw 135% more visitors annually over pre-renovation totals), as well as memberships and other forms of philanthropic support. The return of the temporary exhibition program to the de Young will restore one of the most important revenue-generating vehicles to the museum, and expanded revenues are anticipated from all sources of earned income, including admissions, café and bookstore sales, and space rentals by third party groups. Overall, the new museum will not only restore economic strength to the institution but also facilitate significant expansion of the museum's economic capacity. Visitation, use, and overall interest in the new de Young will furthermore expand FAMSF's contribution to San Francisco's economy through visitor support of local restaurants, hotels, and retail establishments.

Table: Space comparison of old de Young and the New de Young Museum

<b>Primary Museum Spaces:</b>	<b>Old de Young (sq. ft.)</b>	<b>New de Young (sq. ft.)</b>
Temporary Exhibition Galleries	10,644	12,000
Collection Galleries		
American through 19th Century	14,079	14,000
20 <sup>th</sup> Century American	3,676	11,100
Art of Africa	2,007	6,800
Art of Oceania	916	10,000
Ancient and Native American Art	2,690	6,500
Textiles	4,518	4,560
Interstitial Galleries	--	3,000
Flexible Gallery	--	2,800
Children's Gallery	610	2,000
Other Education Facilities/Library	7,259	12,350
Auditorium	--	4,000
Textile Study Center	--	1,500
Restaurant/Café	2,085	6,500
Museum Store	3,486	5,000
Event Spaces/Other Public	13,193	25,300
Conservation Labs	4,885	8,250
Other/Behind the Scenes	45,845	95,450
Circulation/Miscellaneous	<u>30,256</u>	<u>61,890</u>
<b>Total</b>	<b>146,149</b>	<b>293,000</b>

## 5. Project Timeline

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Design Architects Selected	January 1999
Old de Young Closure	December 2000
Deinstallation of Collections	Spring 2001
Hazardous Material Removal	Fall-Winter 2001
EIR Certified	January 2002
Demolition	March-May 2002
Excavation/Groundbreaking	June 2002
New Construction	December 2002
Anticipated Substantial Completion	October 2004
Museum Opens to the Public	July 2005

## 6. Anticipated Challenges & Strategy

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The Fine Arts Museums of San Francisco have already met and successfully faced a number of challenges that have occurred during the short history of this project, and is prepared to meet any future challenges until the project is complete.



### ***Completion of Fundraising and Ensuring Proper Cash Flow:***

Among the early challenges to the project was the narrow defeat of two bond measures (in 1996 and 1998) to secure public funds for the new building. Rather than risk further (and potentially devastating) delays, the Trustees initiated plans to raise funds for the new building privately. A testament to the philanthropic and community-minded support from the Bay Area community, FAMSF has raised \$154.5 million to date from over 5,600 donors (toward a fundraising goal of \$165 million).

As co-borrowers, the Corporation of the Fine Arts Museums (COFAM; the private nonprofit arm of FAMSF) and the Fine Arts Museums Foundation (which manages, among other things, FAMSF's Endowment) are in the process of securing \$143,000,000 in tax-exempt Municipal Revenue Bonds through the ABAG Finance Authority for Nonprofit Corporations. The Revenue Bonds serve two purposes: 1) as pledge payments will be received over a period of several years, the Bond financing will ensure cash flow throughout the duration of the construction; 2) Bond funding will be applied to construction, and unrestricted cash raised through fundraising will be placed in interest-bearing investments. Over the course of the loan, the net revenue will offset the gap between the \$165 million fundraising goal and the \$202.3 million total project cost.

### ***Maintaining Fiscal Stability During Closure Period:***

Closure of the de Young and the loss of its revenue streams, have placed a significant but necessary financial burden on FAMSF until the new de Young opens. The recent downturn in the economy and the decline of tourism post-September 11 have further complicated income streams. Measures taken to maintain a balanced budget include an early retirement offering in 1999 in anticipation of de Young closure, reassignment of museum guards to other city posts, selected 5% and 10% across-the-board spending cuts, and the one-time use of unrestricted. Despite these challenges, FAMSF ended FY00-01 with a balanced budget and projects a balanced budget once again for FY01-02. Balancing the operating budget will continue to require vigilance and resourcefulness on the part of the board and staff until the new de Young opens in 2005, at which time FAMSF's economic strength will be restored and greatly enhanced.



## 7. Impact and Significance of Project

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The building of the new de Young is one of San Francisco's most important cultural and civic projects in recent history. It is necessary to ensure the museum's future. It will provide necessary upgrades over the old facility and much-needed expansion for the growing collections and programs. It will also significantly increase access to the museum and its educational services for all audiences, restore the temporary exhibition program that has been such an integral part of the museum's program throughout its history, and restore our institution to full strength, programmatically and financially.

The necessity to rebuild the de Young from the ground up has also been a tremendous opportunity to re-envision the museum, its programming, and its capacity to serve all audiences to the highest degree possible. It has allowed our institution to design a new museum that better reflects the diversity in the collection and addresses the interconnections as well as the differences between the arts of differing cultural origin. The new museum will help position the Fine Arts Museums to continue to attract and engage new audiences and dramatically increase our capacity to meet the changing needs of the public for many decades to come.

## 8. Evaluation/Assessment Plan

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An inclusive dialogue with the public has been essential to the New de Young project throughout its history. Numerous public workshops have been held, early in the planning process, and also during the architectural design process with architect Pierre de Meuron, in order to ensure that the new museum addresses all of the needs and the concerns of the audiences it serves. Such dialogues will continue to play an important role in the ongoing activities of the de Young during the museum's re-opening and beyond.

Upon re-opening, visitor feedback through a variety of mechanisms (comment forms, visitor surveys, electronic and written correspondence) will be integral to ensuring that visitor's needs are met. Comments and responses will be incorporated into ongoing discussions to continue to

optimize programs, services, and information assistance for all visitors, and will ultimately be reflected in future long-range planning efforts.

## **9. Qualifications of Organization and Staff**

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FAMSF project and management staff constitute a highly qualified and experienced team which has already managed and overseen the successful Legion of Honor renovation project. New de Young Project Manager Deborah Frieden has 20 years of building management experience, and also oversaw the Legion project. Design Architects Herzog & de Meuron are among the top architects in the world, and Architect of Record Fong & Chan have a proven track record with numerous successful projects throughout the Bay Area and beyond.

## **10. Relationship of Program to Similar Programs**

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The New de Young project is the second part of a master building plan that responds to structural inadequacies and seismic hazard at both the de Young and the Legion of Honor. The Legion project was successfully completed in 1995 to unprecedented popularity. The new de Young is also expected to result in a significant resurgence in public interest and involvement.

Unlike many capital projects currently underway throughout the United States, the building of the New de Young is born of absolute necessity and is essential to the continued existence of the museum itself.

## **11. Future Plans for the Program, Including Dissemination of Results**

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The New de Young is a high-profile project, and continues to garner strong local, national, and international attention in the media and among scholars. It is anticipated that the new building will draw significant attention and that much will be written about the project and the building. The project and its results will also be documented by FAMSF through publication, the FAMSF magazine and members guide, and the internet.

## Permitted Investments For New de Young Museum Project Bond Proceeds and Pledge Funds

(a) Government Obligations or Government Certificates;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

(i) Farmers Home Administration (FMHA) - Certificates of beneficial ownership;

(ii) Federal Housing Administration Debentures (FHA);

(iii) General Services Administration - Participation Certificates;

(iv) Government National Mortgage Association (GNMA or "Ginnie Mae") - guaranteed mortgage-backed bonds and GNMA guaranteed pass-through obligations (participation certificates);

(v) U.S. Maritime Administration - Guaranteed Title XI financing; and

(vi) U.S. Department of Housing and Urban Development (HUD) - Project notes and local authority bonds.

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit United States of America government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

(i) Federal Home Loan Bank System - Senior debt obligations (consolidated debt obligations);

(ii) Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac") - Participation certificates (mortgage-backed securities) and senior debt obligations;

(iii) Fannie Mae - mortgage-backed securities and senior debt obligations (excluding stripped mortgage securities which are valued greater than par on the portion of the unpaid principal);

...continued

(iv) Student Loan Marketing Association (SLMA or "Sallie Mae") - Senior debt obligations;

(v) Resolution Funding Corp. (REFCORP) - Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form; and

(vi) Federal Farm Credit System - Consolidated systemwide bonds and notes.

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and having a rating by S&P of AAAM-G or AAAM and by Moody's of Aaa;

(e) Certificates of deposit issued by a state or national bank or a state or federal savings and loan, provided that such certificates of deposit shall be either (i) continuously and fully insured by the FDIC, or (ii) have a maturity of not greater than 365 days and have the highest short-term letter and numerical ratings of Moody's and S&P;

(f) Savings accounts or money market deposits that are fully insured by the FDIC;

(g) Investment agreements, including guaranteed investment contracts acceptable to the Credit Provider.

(h) Commercial paper of "prime" quality rated in the highest rating category by Moody's and S&P, which commercial paper is limited to issuing corporations that are organized and operating within the United States.

(i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest long-term rating categories assigned by such agencies;

(j) Federal funds or banker's acceptances which are eligible for purchases by members of the Federal Reserve System, drawn on any bank the short-term obligations of which are rated in the highest rating category by Moody's and S&P, provided that the maturity cannot exceed 270 days;

(k) Repurchase agreements either (a) with maturities of 30 days or less, or (b) approved by the Credit Provider.

(l) Any other debt or fixed income security specified by the Corporation, and rated in the highest rating category by Moody's and S&P, including "pre-funded" municipal obligations; and

(m) Any investment approved in writing by the Credit Provider.

